

Leg. Finance - House & Senate Finance Comte Files (1975-76) 344

HB 51, CSHB 63

"An Act making a special appropriation to the Department of Commerce, division of insurance; and providing for an effective date."

1/23/75

COMMITTEE REPORT

FINANCE

HOUSE

Mr. Speaker:

Date 3/5/75

The Committee on Commerce has had HB 51

under consideration. A Majority of the members of the Committee

recommends it DO PASS

recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR _____ AND THAT

CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

<u>Ramona Kelley</u>	<u>do pass</u>	<u>Paul Rode</u>	<u>Do Pass</u>
<u>Henry W. Fischer</u>	<u>do pass</u>	<u>C. F. Bradley</u>	
<u>Paul H. ...</u>	<u>do pass</u>	<u>Tim ...</u>	<u>Do Pass</u>
<u>Freeman</u>			

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

C. F. Bradley Chairman

"An Act making a special appropriation to the Department of Commerce, division of insurance; effective date."

COMMITTEE REPORT

3/5/75

HOUSE

Mr. Speaker:

Date _____

The Committee on FINANCE has had HB 51

under consideration. A Majority of the members of the Committee

recommends it DO PASS

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CS FOR _____ DO PASS

"and" recommends it BE REFERRED TO THE _____

COMMITTEE

reports it back WITHOUT RECOMMENDATION

"other"

Members signing the Majority report:

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ Chairman

Introduced: 1/23/75
Referred: Commerce and
Finance

1 IN THE HOUSE

BY FINK AND BRADNER

2 HOUSE BILL NO. 51

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Commerce, division of insurance; and providing
8 for an effective date."

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

10 * Section 1. The sum of \$75,000 is appropriated from the general fund
11 to the Department of Commerce, division of insurance, to fund the office
12 of the public adjustor.

13 * Sec. 2. This Act takes effect July 1, 1975.

ALASKA STATE LEGISLATURE

..NINTH Legislature ..FIRST Session

HOUSEBILL..... NO. ...51...

By ..FINK AND BRADNER.....

"An Act making a special appropriation to the Department of Commerce, division of insurance; and providing for an effective date."

Dpt. of Commerce - Div. Insurance
Spec. approp.

Introduced in the House 1/23/ 19.75

HISTORY IN THE HOUSE

19 75	Read first time and referred to Committee on											
Jan 23	Commerce and Finance											
	Reported back with recommendation that											
	Read second time and											
	Read third time and											
	<table border="0"> <tr><td>PASS</td><td>Effective Date</td></tr> <tr><td>Yeas</td><td>Yeas</td></tr> <tr><td>Nays</td><td>Nays</td></tr> <tr><td>Absent</td><td>Absent</td></tr> <tr><td>Excused</td><td>Excused</td></tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	
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Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
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Nays	Nays											
Absent	Absent											
Excused	Excused											
	Reported correctly engrossed											
	Signed by Speaker											
	Sent to Senate											
CHIEF CLERK OF THE HOUSE												

HISTORY IN THE SENATE

19	Read first time and referred to Committee on											
	Reported back with recommendation that											
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	Reported correctly engrossed											
	Signed by President											
	Returned to House											
SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19	Received from Senate
	Reported correctly enrolled
	Sent to Governor
 By Governor
	Filed with Lt. Governor
Chapter No.	

Introduced: 1/23/75
Referred: Commerce and
Finance

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BY FINK AND BRADNER

2 HOUSE BILL NO. 51

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. HR 51 - 52
 Title: Special Appropriation - Public Adjuster
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: COMMERCE Program: INSURANCE

II. FISCAL DETAIL

Budget Request Unit(s) Affected: 04 - Investoqation 1976 - 1980

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		53.5	56.2	59.0	62.0	65.1
200 TRAVEL		7.8	8.2	8.6	9.0	9.5
300 CONTRACTUAL		19.6	20.6	21.7	22.8	23.9
400 COMMODITIES		1.0	1.5	1.5	1.7	1.8
500 EQUIPMENT		2.2	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		84.1	86.5	90.9	95.5	100.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND		84.1	86.5	90.9	95.5	100.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	/	3 /	3 /	3 /	3 /	3 /
MAN MONTHS (P./T.)	/	36 /	36 /	36 /	36 /	36 /

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

General assumptions pursuant to 1976 budget as per the attached with a 5% inflation projection for succeeding years

IV. ATTACHMENTS

V. DATE: 3/10/75 PREPARED BY: Laraine Bayne
 Insurance Officer

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

IMPLEMENTATION OF A PUBLIC ADJUSTERS OFFICE IN THE DIVISION OF INSURANCE

Personnel

Public Adjuster range 22	2,091	25,092	
Secretary I 10	894	10,728	
Clerk Typist III 8	790	9,480	
		<u>45,300</u>	
18% benefits		<u>8,154</u>	\$ 53,454

TRAVEL

4 Hearings - Fairbanks (3 days each)			
Adjuster - Anchorage to Frbs 12 days		540	
*Director - Juneau to Frbs 12 days		540	
Transp fr Anchorage		316	
Juneau		740	
		<u>2,136</u>	
8 Hearings - Anchorage (3 days each)			
*Director - Juneau to Anchorage 24 days		840	
transp.		1,232	
		<u>2,072</u>	
12 Trips - Adjuster - various locations			
(3 days each) total 36 days		1,260	
transp		1,848	
		<u>3,108</u>	
Witness mileage 12 x 40.		<u>480</u>	
	Total travel		7,796
* Hearing Officer			

CONTRACTUAL

Communications - phone, toll and postage	1,182	
Printing - Pamphlet for distribution	7,500	
Rent and Utilities 600 sq. ft @ .75 (450 x 12)	5,400	
Equipment - IBM & Xerox	2,880	
Repairs	50	
Court Reporting - Transcripts 12 x 200	2,400	
Miscellaneous	<u>200</u>	19,612

SUPPLIES

<u>1,000</u>	1,000
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EQUIPMENT

3 desks	650	
3 chairs	200	
1 printer calculator	700	
1 IBM Selectric	<u>650</u>	<u>2,200</u>

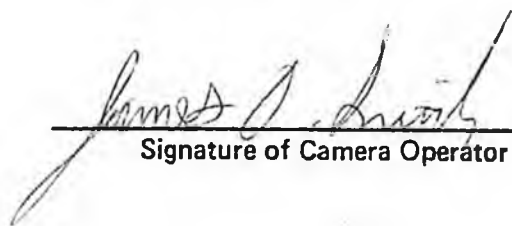
Total \$ 84,062




RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

"An Act creating the Department of Transportation; and providing for an effective date."

COMMITTEE REPORT

HOUSE

3/7/75

Mr. Speaker:

Date 4/19/75

The Committee on Finance has had CS 63

under consideration. A Majority of the members of the Committee

() recommends it DO PASS

() recommends it DO NOT PASS

() recommends it DO PASS WITH ATTACHED AMENDMENT(S)

recommends it BE REPLACED WITH CS FOR HR 62 AND THAT

CS FOR HR 63 DO PASS

() "and" recommends it BE REFERRED TO THE _____

COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>no rec</u>
_____	recommends:
_____	recommends:
_____	recommends:
_____	recommends:

[Signature] Chairman

Master File HB 63

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA ~~XXXX~~
99811

LEGISLATIVE AFFAIRS AGENCY

April 22, 1975

MEMORANDUM

TO: Rep. Hugh Malone, Chairman
House Finance Committee

FROM: Stuart C. Hall *SH* Legislative Counsel

SUBJECT: Proposed CSHB 63 (Finance)

As we pointed out in earlier conversation, we regard the attached as an inadequate instrument to effect a major reorganization of the existing Departments of Highways and Public Works into a Department of Transportation, with the concomitant exchange of duties and responsibilities proposed by this bill.

Particularly critical in this re-arrangement of statutory duties and responsibilities are secs. 3 and 4 of the bill. We think they are vague and would require the revisor of statutes to make substantive decisions as to the locus of certain functions, powers and duties allocated either to Public Works or Transportation. While it is true, as assistant attorney general Regan states in his memorandum of February 11, 1975, that the revisor has broad powers under, e.g., AS 01.05.031(b)(11) to "edit and revise the laws for consolidation without changing the meaning of any law in the following manner [to]...delete or change sections or parts of sections if a deletion or change is necessary because of other legislative amendme.'s which did not specifically amend or repeal them" (emphasis supplied), nevertheless the revisor under this cited statute does not have extraordinary authority to alter policy decisions made by the legislature. We respectfully suggest that the language in secs. 3 and 4 of the attached bill would compel him to make some difficult decisions on some very close questions.

Accordingly, we believe it would be preferable that any bill creating the Department of Transportation and effecting the reorganization contemplated by CSHB 63 (Finance) expressly set out each amendment to every possible section of the Alaska Statutes that relates to the existing powers and duties of the Departments of Public Works and Highways, and their interrelationships to one another and to other departments of state government, as well as to the proposed Department of Transportation.

MEMORANDUM
Rep. Malone

-2-

April 22, 1975

Working with the Attorney General's office now, as we did in an earlier proposed committee substitute for this bill previously submitted February 18, 1975, to a House State Affairs sub-committee chaired by Rep. Wallis, we believe we can save considerable grief in the months ahead. There are 50 or more statutory changes that should be made in conjunction with the creation of a Department of Transportation. In short, the burden of effecting statutory changes based on policy decisions made by the legislature must not be placed solely in the hands of the revisor of statutes. As we see attached CSHB 63 (Finance), the bill asks the revisor to referee potential jurisdictional disputes between Public Works and Transportation as to their respective organization, functions, powers and duties. In our judgement, that is an improper role for this agency to play and is far afield of the responsibilities contemplated for the revisor of statutes under AS 01.05.031.

cc: Rep. Willard Bowman

Master File HB 63

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA ~~99811~~
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cc: Rep. Willard Bowman

CSHB 63

Personnel deleted due to combination of construction activities now existing in two departments:

<u>Title</u>	<u>Cost</u>
Chief Engineer	(\$42.7)
Chief Construction Engineer	(\$33.6)
Chief Design Engineer	(\$31.2)
Chief Planner	(\$36.2)
Chief-Lands & Leasing	(\$25.1)
	<u>(\$168.8)</u>
Merit Increase & Benefits	(\$30.8)
TOTAL	(\$199.6)

Personnel necessary for liaison between the Departments of Transportation and the Department of Public Works:

<u>Title</u>	<u>Number</u>	<u>Cost</u>
Highway Engineer II	10	\$216,000
Highway Engineer III	10	\$240,000
Clerk-Typist/Clerk	8	\$76,800
		<u>\$532,800</u>
	Benefits	95,900
	TOTAL	<u>\$628,700</u>

No allowance for any transition costs

CSHB 63

TRANSPORTATION EXPENDITURES
(Current Structure)

	<u>FY 75 Adjusted</u>	<u>FY 76 Request</u>
Highways - Maintenance	\$24,452.4	\$29,080.7
Highways - Administration & Support	\$6,567.9	\$6,880.9
Marine Transportation	\$27,671.7	\$28,978.4
Air Transportation	\$16,936.6	\$19,041.9
Public Works - Administration & Support	<u>\$800.3</u>	<u>\$873.7</u>
TOTAL	\$76,428.9	\$84,855.6

NARRATIVE ANALYSIS

The primary assumption of this analysis is that the level of operation of the various transportation functions will not change from the existing level to a new level under the structure envisioned under CSHB 63.

Net expenditures indicated above are for the services associated with the planning, design, construction, maintenance, and operations of State transportation facilities. An effective date of 7/1/75 was assumed and all costs are based on current costs---personal services do not reflect any future employee pay raises. The above projections do not attempt to net out any costs or savings that are the direct result of the construction activities of the existing units. Included in this projection are estimated costs that would be encountered by the State due to the extensive procedures concerning public hearings. Projections assume the Department of Transportation will have a modal structure. A non-modal structure could produce some savings due to the elimination of some district administrative overhead.

The subjects of first cost and life cycle cost, covered in Section 44.42.030.(4), are not addressed in quantifiable terms. It should be noted that when the design-construction function is separated from the planning-maintenance-operations function there is a possibility of one agency attempting to "increase efficiency" by lowering the first cost of a project and thereby increasing the life cycle cost of maintenance or operation of the facility many times. The concept of examination of life cycle cost versus first cost is both theoretically and practically sound. Inclusion of this section would probably result in somewhat higher construction costs, which are normally funded with approximately 90% Federal funds, while lowering maintenance and operation costs.

It has been assumed that the administrative staff currently providing finance, accounting, personnel, supply, and general management functions would be sufficient to handle the new structure without additional positions, although there may have to be some positions transferred between departments.

The separation of transportation functions would also produce a duplication of dealings with the Federal Department of Transportation. Applications for funds would be the responsibility of the State Department of Transportation while submission of designs and inspection of projects by the Feds would be handled by the Department of Public Works. This duplication of effort would result in inefficiencies that would probably increase costs to one or both levels of government.

It should be noted that the intermodal planning that is probably envisioned by the authors of this bill is a more sophisticated and rigorous process than the existing process and will probably require some additional funds. This factor has not been included in the attached estimates.

The Legislature of the State of Alaska
FISCAL NOTE

First Session - Ninth Legislature

I. REQUEST

Bill No. CS for HB 63

Title: DOT

Requested by: Jim Rhode-House Finance Committee Date: 3/10/75

Return Date Requested:

Agency: Budget & Management Program:

II. FISCAL DETAIL

Budget Request Unit(s) Affected:

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 76	FY 77	FY 78	FY 79	FY 80
100 PERSONAL SERVICES		429.1				
200 TRAVEL		68.0				
300 CONTRACTUAL		61.0				
400 COMMODITIES		9.5				
500 EQUIPMENT		50.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		617.6				

B. FUNDING: (Thousands of dollars)

GENERAL FUND		308.8				
FEDERAL FUNDS						
OTHER		308.8				

C. POSITIONS:

See House indent letter

PERMANENT/TEMPORARY	/	23	/	/	/	/	/
MAN MONTHS (P./T.)	/	276	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It should be noted that the attached projections of the fiscal effects of CSHB 63 are an opinion of one person. This opinion attempts to estimate the order of magnitude of the fiscal effects and are not intended to imply exact amounts.

SEE ATTACHMENTS FOR DETAILED NARRATIVE ANALYSIS

IV. ATTACHMENTS THREE

V. DATE: 3/21/75

PREPARED BY:

[Signature]
Carl M. Gonder, Jr.
Program Budget Analyst
Division of Budget & Management

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

CSHB 63

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First Session - Ninth Legislature

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III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

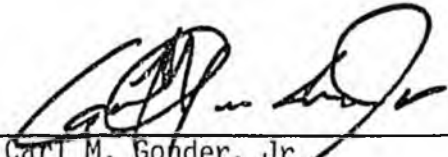
It should be noted that the attached projections of the fiscal effects of CSHB 63 are an opinion of one person. This opinion attempts to estimate the order of magnitude of the fiscal effects and are not intended to imply exact amounts.

SEE ATTACHMENTS FOR DETAILED NARRATIVE ANALYSIS

IV. ATTACHMENTS THREE

V. DATE: 3/21/75

PREPARED BY:


Carl M. Gonder, Jr.
Program Budget Analyst
Division of Budget & Management

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)



Alaska State Legislature

House

JUNEAU ALASKA

January 20, 1977

The Honorable Jay S. Hammond
Governor
State of Alaska
Pouch A Capitol Building
Juneau, Alaska 99811

Dear Governor Hammond:

As Chairman of the House Finance Sub-committee on Transportation, I have a problem. Basically, it is this: I have a Transportation Category budget to review that is based upon the existing organizations of the Departments of Highways and Public Works. I also have Executive Order No. 39 to review, which would substantially change the organization of the two mentioned departments. In good conscience, I cannot make an intelligent decision on either the executive order or the budget without first knowing the budget of the proposed Department of Transportation.

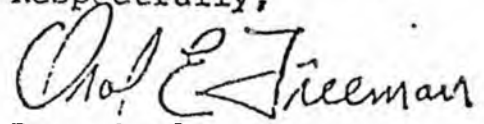
In the budget you presented, the Transportation category will require \$113.6 million in general fund money during FY 78, second in size only to the Education category. Public Works proposes to fund 1356 permanent-full-time and permanent-part-time positions during FY 78. Highways proposes to fund 934 such positions. This totals 2290 positions or 21% of the total positions in the Executive department. Regarding capital improvement accounts, the two departments' 1393 positions compromise 99.5% of the State's capital improvement positions. Combining the permanent and capital improvement positions, Highways and Public Works propose to fund 3683 positions or roughly 30% of the Executive department's budgeted positions. I submit that it is not reasonable to expect the Legislature to make intelligent budget decisions on these sums and this substantial number of state positions with little or no information concerning their future use or status.

The executive order prescribes that the Commissioner of Transportation shall develop annually a comprehensive transportation plan for the State. Among other requirements, this plan will be required to include the "costs and benefits" of State transportation facilities. This is fine for next year and years following. However, Section 12 of the executive

order simply states that all appropriation items made for Highways and Public Works may upon approval of the Governor be appropriately transferred to implement the purposes of this order. I think I would feel more qualified to complete my budget review responsibilities if I now had this information.

I would therefore request that the Legislature be given a full budget, complete with workbook detail for the Department of Transportation as proposed in Executive Order No. 39. Without this information, I fail to see how we can make an intelligent decision regarding either acceptance or rejection of the executive order or of the budget for the entire Transportation Category.

Respectfully,



Rep. Oral E. Freeman

OEF/dc

cc. Rep. S. Cowper
Speaker Malone

STATE OF ALASKA

DEPARTMENT OF PUBLIC WORKS

OFFICE OF THE COMMISSIONER

POUCH Z - JUNEAU 99811
(TELEX 45-328)

JAY S. HAMMOND, GOVERNOR

February 1, 1977

Honorable Oral Freeman
Alaska House of Representatives
Capitol Building
Juneau, Alaska 99811

Dear Representative Freeman:

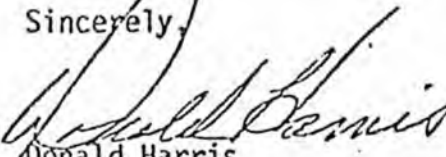
The attached listing indicates budgetary components within the Transportation Category which are not expected to change materially for Fiscal Year 1978, and those that are expected to require adjustment.

We request that you start consideration of the Fiscal Year 1978 Transportation Category Budget with those listed as having no change. We will be preparing a staffing chart for the administration and engineering support functions of the new department. From this staffing chart, we will be able to provide you with information concerning financial adjustments to be made in these budgets. You will be provided the suggested adjustments and staffing patterns by February 21, 1977.

It is anticipated that throughout Fiscal Year 1978 further adjustments will become known. These changes will be reflected in our Fiscal Year 1979 and subsequent budget submissions. The review of the Fiscal Year 1978 Budget will, of course, be more difficult with these changes. However, by working as much as possible along the lines of the new department organization, we will all become more familiar with the new department, and have a head start on the Fiscal Year 1979 Budget.

If you have any questions concerning the budgets which are listed as having no changes, they should be directed through normal channels to those individuals charged with their budget responsibilities. Questions concerning the staffing proposals and changes to the other budgets should be directed to me.

Sincerely,



Donald Harris
Commissioner

Attachment

HOUSE JOURNAL

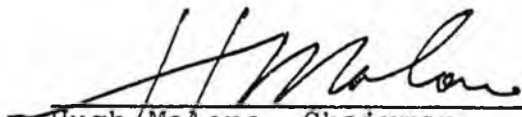
FINANCE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL 63

It is the Legislative intent in the Finance Committee Substitute for House Bill 63 that there will not be in FY 76 an additional appropriation for the establishment of the Department of Transportation since the costs of reorganization are expected to be absorbed as the result of an adoption of a non modal structure.

The Legislature expects, as a result of the reorganization and consolidation of the transportation functions, that transportation costs to the state of Alaska for the state budget should decline. The Legislature encourages the administration to meet these goals.



Hugh Malone, Chairman
House Finance Committee

8 February 1977

The Honorable Donald Harris
Commissioner
Department of Public Works
Pouch Z
Juneau, Alaska 99811

Dear Commissioner Harris:

As per our conversation of yesterday I must re-emphasize that we must have the proposed Department of Transportation budget by the end of this week. The February 21st date suggested in your letter of 1 February 1977 to Rep. Oral Freeman does not give us sufficient time to consider the proposal before the expiration of the sixty day period allowed to review Executive Orders.

Very truly yours,

Hugh Malone
Speaker

cc: The Honorable Jay Hammond
The Honorable Oral Freeman ✓
The Honorable Steve Cowper

LEGISLATIVE POSITION PAPER ON
THE DEPARTMENT OF TRANSPORTATION
BY REP. ORAL FREEMAN

House Bill 63 introduced by Rep. Willard Bowman, et al, in the 1975 legislative session signaled the beginning of the current effort to create a Department of Transportation. That bill, as it left the House, envisioned a single Department of Transportation incorporating the planning, construction, maintenance and operation of all state transportation facilities including ferries, airports, water and harbor facilities and highways. The bill did not pass the Senate.

In January of 1976 the Governor introduced SB 548 incorporating a second concept, namely the creation of two departments with transportation responsibilities. Under the 1976 Governor's proposal, the existing Department of Public Works would have had the responsibility for design, construction, and preparation of life-cycle cost analysis for transportation projects. The new Department of Transportation would have had the responsibility for planning, operation, and maintenance of all state transportation facilities. The bill did not move and no other Department of Transportation legislation passed the legislature.

The current legislature has been given Executive Order 39 which would create a single Department of Transportation combining all the transportation functions currently divided between Public Works and Highways in the new department. This brief history of the Department of Transportation proposals makes the problem appear simpler than it really is. For approximately one and one-half years the current administration has espoused the two department concept for transportation and has done all its planning accordingly. Some time in late November or early December of 1976 the Governor changed his mind and reverted to the single department concept originally proposed two legislative sessions ago. This sudden change of mind

has apparently left the executive without firm plans and budget proposals to support those plans for the operation of a single Department of Transportation.

On January 20 I wrote the Governor (see copy attached) and said that in good conscience neither I nor my subcommittee could be expected to make an intelligent decision on either the executive order creating the Department of Transportation or the budget for the entire transportation category without first obtaining a specific reorganization plan for the new department and the budget proposed to carry out the reorganization. Considering the magnitude of the Transportation budget (\$113.6 million in general fund money for fiscal year 1978 operations, second in size only to the Education category), and the number of permanent and capital improvement positions employed (the largest number of employees in state government with approximately 30% of the executive department's budgeted positions), it seemed that we must have a firm reorganization plan and a complete budget based on the reorganization before we could proceed with our deliberations.

In the response to my letter, Commissioner Harris, (see copy attached) attempted to indicate those areas of the budget in which he anticipated no change resulting from the creation of the Department of Transportation. These functions, namely Marine Transportation, the two international airports in Anchorage and Fairbanks, the trunk and secondary airport regional operations, and highway maintenance, are the organizational units least affected by the proposed reorganization. We have scheduled hearings in these areas and can to some degree intelligently review these budgets. However, as can be seen from the attached letter, the entire administrative structure is to be substantially changed thus leaving a vague area of administrative reorganization and related budgetary requirements. According to the Commissioner's letter, staffing charts and related infor-

mation and other items of budgetary information are to be provided by February 21. But the letter goes on to caution that throughout the budget year changes will occur and it appears that our indulgence is requested so that we might eventually "achieve a headstart on the fiscal year '79 budget". In effect, I feel we are being asked to trust the executive to do a good job on this reorganization and to tell us what they plan to do next year after they have done it.

I personally have a problem accepting the Executive Order as a proper vehicle for the completion of a governmental reorganization effort as substantial as this one creating a large new department in the executive branch of government. Let me cite some examples that highlight my concern. On January 28, the Governor introduced SB 100 requiring full legislative deliberation and passage of an Act to transfer from his office (1) the Commercial Fisheries Entry Commission to the Department of Fish and Game, (2) the Police Standards Council to the Department of Public Safety, (3) the State Geographic Board to the Department of Community & Regional Affairs, (4) the Alaska State Office in Tokyo to the Department of Commerce and Economic Development, and (5) the State Council on the Arts to the Department of Education. On the same day he introduced in the House HB 139 again requiring full legislative review and passage of an Act to transfer responsibility for the operation and regulation of weighing stations from the Department of Commerce and Economic Development to the Department of Public Safety; HB 141 transferring the trademark function from the Office of the Lieutenant Governor to the Department of Commerce and Economic Development, and HB 142 transferring the Alaska Historical Commission from the Office of the Governor to the Department of Natural Resources. The relative importance of these listed transfers is nil when compared to the creation by executive order of what is to be the largest department in state government. Yet, the Governor seems to feel that the Legislature should concern itself with deliberations on legislation

concerning these matters of governmental reorganization as opposed to more substantial matters of reorganization which he will propose by executive order -- leaving the legislature the options to either accept or reject the proposal as written.

It would be my recommendation that the Legislature does not have sufficient information regarding the proposed organization and budget or personnel requirements to approve the creation of a Department of Transportation as proposed in the Governor's Executive Order. I would therefore recommend that the Legislature (1) turn down Executive Order 39, (2) consider through the full committee deliberation process legislation to establish a Department of Transportation, and (3) assuming the Legislature approves a Department of Transportation concept, create the new department no later than July 1, 1978. (An earlier date would be possible assuming an operating reorganization plan and related budget could be reviewed and approved by the Legislature some time prior to July 1, 1978.)

COMPONENT

BRU

Unchanged

Changed

Marine Transportation

Southeast Vessel Operations
Southeast Shore Facilities
Southwest Vessel Operations
Southwest Shore Facilities
Advertising/Promotion

Administration and
Support

.....
Anchorage Int'l Airport

Field Maintenance
Building Maintenance
Airport Safety
Custodial

Equipment
Administration

.....
Fairbanks Int'l Airport

Field Maintenance
Building Maintenance
Security
Custodial
Administration

.....
Trunk and Secondary Airports

Regional Operations

Administration

.....
Engineering - Aviation

Chief Engineer
Planning
Design
Construction

.....
Administration & Support
Aviation

Administration
Lands & Leasing

.....
Administration - Public
Works

Office of the Commis-
sioner
Division of Adminis-
tration
Public Facility Pro-
curement

.....
Administration & Support
Highways

Central District
Interior District
Southeast District
Western District
Southcentral District
Headquarters & State
Lab

BRU

Unchanged

Changed

Maintenance - Highways

Central District
Interior District
Southeast District
Western District
Southcentral District
Statewide Projects

Overweight Program*

.....
Debt Service

Highways
Marine Transportation
Aviation
.....

Original sponsor: Bowman, Swanson
and Kelley

Offered: 3/7/75
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 63

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act creating the Department of Transportation;

7

and providing for an effective date."

8

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

9

* Section 1. FINDINGS AND PURPOSE. The legislature finds that the

10

diverse transportation needs of the state would best be served by the crea-

11

tion of a single department for the planning, study, ^{construction} and operation of inte-

12

grated, intermodal transportation systems. The purpose of this department is

13

to evaluate, plan, operate and maintain all state transportation modes and

14

systems, relying on analysis of the relative advantages of different modes

15

and systems and considering their social, economic, and environmental con-

16

sequences.

17

* Sec. 2. AS 44 is amended by adding a new chapter to read:

18

CHAPTER 42. DEPARTMENT OF TRANSPORTATION.

19

Sec. 44.42.010. COMMISSIONER OF TRANSPORTATION. The principal

20

executive officer of the Department of Transportation is the commis-

21

sioner of transportation.

22

Sec. 44.42.020. POWERS. The department may

23

(1) plan all state modes of transportation and transportation

24

facilities;

25

(2) study existing transportation modes and facilities in the

26

state to determine how they might be improved or whether they should

27

continue to be maintained;

28

(3) study alternative means of improving transportation in

29

the state with regard to the economic costs of each alternative and

1 its environmental and social effects;

2 (4) develop a comprehensive long-range, intermodal trans-
3 portation plan for the state;

4 (5) study alternatives to existing modes of transportation in
5 urban areas and develop plans to improve urban transportation;

6 (6) cooperate and coordinate with and enter into agreements
7 with federal, state and local government agencies and private organiza-
8 tions and persons in exercising its powers and duties;

9 (7) work cooperatively with the Department of Public Works to
10 assure that design and construction of transportation facilities by the
11 Department of Public Works are consistent with plans and operational
12 requirements;

13 (8) engage in experimental projects relating to available or
14 future modes of transportation, and any means of improving existing
15 transportation facilities and service;

16 (9) exercise the power of eminent domain; and

17 (10) adopt regulations under the Administrative Procedure Act
18 (AS 44.62) to implement, interpret, or make more specific its powers and
19 duties.

20 Sec. 44.42.030. DUTIES. The department shall:

21 (1) maintain and operate state transportation facilities,
22 including all state highways, marine transportation ships and facilities,
23 docks, breakwaters, airports and aviation facilities;

24 (2) study alternative means of transportation in the state,
25 considering the economic, social and environmental impacts of each
26 alternative;

27 (3) coordinate and develop state and regional transportation
28 systems, considering deletions, additions and the absence of alterations;
29 and

1 (4) develop facility program plans for transportation facili-
2 ties required to implement these duties including but not limited to (A)
3 first and life cycle cost budgets; (B) functional performance criteria;
4 and (c) schedules for completion. These program plans shall be reviewed
5 by the Department of Public Works before commencement of transportation
6 facility project designs.

7 Sec. 44.42.040. DEPARTMENTAL ORGANIZATION. The commissioner may,
8 with the approval of the governor, organize the department into those
9 divisions that can most efficiently perform the functions of the depart-
10 ment.

11 Sec. 44.42.050. STATE TRANSPORTATION PLAN. (a) The commissioner
12 shall develop and keep current by periodic revision a comprehensive
13 intermodal long-range transportation plan for the state. The state plan
14 shall consider means and costs of improving existing modes and facili-
15 ties, state subsidies, and the costs and benefits of new transportation
16 modes and facilities.

17 (b) In developing and revising the plan, the commissioner shall
18 seek public review and evaluation by any reasonable means and may

19 (1) consult and cooperate with officials and representatives
20 of the federal government, other governments, interstate commissions and
21 authorities, local agencies and authorities, interested corporations and
22 other organizations concerning problems affecting transportation in the
23 state; and

24 (2) request and receive from an agency or other unit of state
25 government or of a political subdivision of it, or from a public author-
26 ity, the assistance and data that may be necessary to enable the com-
27 missioner to carry out his responsibilities under this section.

28 (c) Copies of the plan, as revised, shall be kept on file as a
29 public document in the office of the commissioner and at each regional

1 or district office of the department.

2 Sec. 44.42.060. PUBLIC HEARINGS AND SURVEYS. (a) When a major
3 new state transportation facility or a significant extension or altera-
4 tion of an existing system or facility is proposed, the department shall
5 give notice of the proposal and of the opportunity to request a public
6 hearing to the governing body of an affected municipality and residents
7 of each affected community. The purpose of this notice is to provide
8 information to the governing body and those residents and provide an
9 opportunity for informed public review of a proposal from the earliest
10 time practicable.

11 (b) In giving notice under this section, the notice shall describe
12 the project, invite written comments regarding the proposal, inform that
13 all current and relevant information regarding the proposal will be made
14 available in at least one designated location within the affected com-
15 munity, and inform that basic information regarding the proposal will be
16 provided upon the request of any person. The notice shall also inform
17 that a public hearing will be held upon the written request of the
18 governing body of an affected municipality or of at least 20 interested
19 residents of the affected community.

20 (c) If the governing body of an affected municipality requests a
21 hearing, the hearing shall take place before that governing body.
22 Otherwise the public hearing may be held by the department at any con-
23 venient location. If a public hearing is held, the deadline for written
24 comment may be not earlier than 30 days following the hearing.

25 (d) At a public hearing the department shall describe the proposal,
26 identify the essential considerations in favor of it, and receive com-
27 ments and answer questions from any interested person. In addition, at
28 a hearing, to the extent they have been developed, the department shall
29 present its recommendations regarding the proposal, its costs and

1 benefits, its environmental and social effects, and the alternatives
2 which have been considered including the alternative of not constructing
3 a facility.

4 (e) The department shall conduct surveys of the residents of each
5 affected community to enable the residents to express opinions regarding
6 the proposal.

7 (f) Within 90 days following a hearing the department shall pre-
8 pare and mail to the governing body of an affected municipality and to
9 each known interested person a report which summarizes the oral testimony
10 and written comments received and the results of surveys and other
11 relevant data and which informs whether and to what extent the proposal
12 has been modified as a result of public comments, surveys and other
13 relevant data.

14 (g) This section does not apply to improvements or modifications
15 to existing facilities which do not significantly affect the environment
16 nor to actions and repairs which may be necessary to meet a disaster or
17 emergency which threatens human lives.

18 (h) For purposes of this section,

19 (1) "affected community" means a municipality or an unincor-
20 porated village of 25 or more persons which is directly served by an
21 existing facility, or where an existing facility is actually located or
22 in which a proposed facility would actually be located, or which would
23 be directly served by a proposed facility;

24 (2) "municipality" means a home rule or general law borough
25 or city including but not limited to a unified municipality organized
26 under AS 29.68.

27 (1) The commissioner may adopt regulations under the Administra-
28 tive Procedure Act (AS 44.62) to implement this section.

29 Sec. 44.42.070. GRANTS TO THE DEPARTMENT. The commissioner may

1 apply for and accept, on behalf of the state, grants from the federal
2 government or an agency of it or from another state, a foundation,
3 corporation, association or individual, for any of the functions or
4 purposes of the department, and may expend the money received under this
5 section for those functions or purposes.

6 Sec. 44.42.080. LIMITATION ON TRANSPORTATION FACILITIES. (a) The
7 department shall consult with the appropriate officials of other depart-
8 ments regarding environmental risks and economic and social considera-
9 tions that may arise by reason of the location, design, construction or
10 reconstruction of a transportation facility.

11 (b) No highway, transit line, highway interchange, airport or
12 other transportation corridor or facility, may be built or expanded in
13 such a way as to use privately owned land or land from a recreation
14 area, a wildlife or waterfowl refuge, an historic site, state forest
15 land, a wetland, game land, a wilderness area, a public park or a cri-
16 tical habitat area unless (1) there is no feasible and prudent alterna-
17 tive to the use of that land, and (2) the corridor or facility is planned
18 and constructed so as to minimize harm to the land.

19 * Sec. 3. (a) The Department of Transportation is vested with the duties
20 and powers formerly held by the Department of Public Works relating to
21 planning, maintenance and operation of transportation facilities, including
22 state ferries, airports and water and harbor facilities.

23 (b) The Department of Transportation is vested with the duties and
24 powers formerly held by the Department of Highways relating to planning,
25 maintenance and operation of state transportation facilities including state
26 highways, roads, bridges, traffic signs and signals, the supervision and
27 maintenance of state automotive and mechanical equipment, the control of
28 outdoor advertising visible from state highways and all other duties and
29 powers of the Department of Highways not related to design and construction.

1 (c) The Department of Public Works is vested with the duties and powers
2 formerly held by the Department of Highways relating to design and construct-
3 ion of state highways, roads, bridges and traffic signs and signals, and the
4 acquisition of property for its public works, including the right to use a
5 declaration of taking in the exercise of the power of eminent domain and the
6 duty to administer the relocation assistance program under AS 34.60.

7 (d) The Department of Public Works shall design and construct, or cause
8 to be designed and constructed, only those transportation facilities that
9 have been planned and programmed for construction by the Department of Trans-
10 portation. It shall cooperate with that department in the hearing and plan-
11 ning processes described in this Act. It shall turn over a transportation
12 facility to the Department of Transportation for operation and maintenance
13 when construction of the facility is substantially completed, but shall
14 continue to administer construction contracts during guaranty or warranty
15 periods.

16 * Sec. 4. The commissioner of transportation shall replace the commis-
17 sioner of highways on the State Geographic Board, the Alaska Toll Bridge
18 Authority, the Alaska Safety Council and all other boards and commissions.

19 * Sec. 5. AS 44.19.700 - 44.19.714 and AS 44.44.010 are repealed.

20 * Sec. 6. This Act takes effect July 1, 1975.
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22
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28
29

Introduced: 1/24/75
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY BOWMAN AND SWANSON

2 HOUSE BILL NO. 63

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Department of Transportation; and
7 providing for an effective date."

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

9 * Section 1. AS 44 is amended by adding a new chapter to read:

10 CHAPTER 42. DEPARTMENT OF TRANSPORTATION.

11 Sec. 44.42.010. COMMISSIONER OF TRANSPORTATION. The principal
12 executive officer of the Department of Transportation is the commis-
13 sioner of transportation.

14 Sec. 44.42.020. POWERS AND DUTIES OF DEPARTMENT. The department
15 shall:

16 (1) coordinate and develop comprehensive, balanced trans-
17 portation policy and planning to include a long-range transportation
18 master plan for the state;

19 (2) coordinate, develop and operate a modern, safe and
20 efficient system of highway, mass transit, marine and aviation facili-
21 ties and services;

22 (3) promote and coordinate the efficient use of all available
23 and future modes of transportation;

24 (4) study commuter and urban travel and, in cooperation with
25 federal, regional and local agencies and persons, formulate and imple-
26 ment plans and programs to improve urban travel;

27 (5) study means of providing facilities for parking motor
28 vehicles so as to encourage travel by the combination of motor vehicles
29 and other modes of transportation and, in cooperation with federal,

1 regional and local agencies and persons, formulate and implement plans
2 and programs for this purpose;

3 (6) study means of improving transportation safety and for-
4 mulate and implement plans and programs and promulgate regulations for
5 this purpose;

6 (7) study the operations of existing airports, determine the
7 need for changes for those airports and the need for future airports,
8 and formulate and implement plans and programs to improve aviation
9 facilities and services;

10 (8) cooperate with federal, state and local agencies,
11 organizations, and persons performing activities relating to transporta-
12 tion;

13 (9) construct, maintain, and operate state highways, roads,
14 bridges, traffic signs and signals, ferries, airports, docks, floats,
15 breakwaters, railroads and all other state transportation facilities.

16 Sec. 44.42.030. DEPARTMENTAL ORGANIZATION. The commissioner shall
17 organize the department into the following operating divisions:

- 18 (1) division of administration;
19 (2) division of planning and research;
20 (3) division of highways;
21 (4) division of rail and transit;
22 (5) division of aviation;
23 (6) division of marine transportation;
24 (7) division of harbors.

25 Sec. 44.42.040. LONG-RANGE TRANSPORTATION MASTER PLAN. (a) The
26 commissioner shall develop a comprehensive long-range transportation
27 master plan. The planning shall consider all available and future
28 modes of transportation including, but not limited to, transportation
29 by highway, air, water and rail. The plan shall be designed to fulfill

1 the present and future needs of the state and assure development and
2 maintenance of adequate, modern, safe and efficient transportation
3 facilities and services.

4 (b) In developing and revising the plan the commissioner may:

5 (1) conduct public hearings;

6 (2) consult and cooperate with officials and representatives
7 of the federal government, Canada, other states, federal interstate
8 commissions and authorities, local agencies and authorities, interested
9 corporations and other organizations concerning problems affecting
10 transportation in the state;

11 (3) request and receive from any agency or other unit of
12 state government or of any political subdivision of it, or from any
13 public authority, the assistance and data that may be necessary to
14 enable the commissioner to carry out his responsibilities under this
15 section; and

16 (4) to the extent he may consider necessary, make use of and
17 incorporate in the plan any existing long-range transportation plan,
18 survey or report developed by a public or private agency or person.

19 (c) Copies of the plan, as revised, shall be kept on file as a
20 public document in the office of the commissioner.

21 Sec. 44.42.050. STUDY OF EXISTING TRANSPORTATION FACILITIES. (a)
22 Before September 1 of each year, the commissioner shall conduct and
23 complete an investigation and report on the several modes of trans-
24 portation in the state, in which he shall evaluate the adequacy of the
25 facilities and services connected with each mode, and shall determine
26 the needs of the state transportation system.

27 (b) The commissioner may engage in experimental projects relating
28 to an available or future mode of transportation including, but not
29 limited to, high speed rail service, the development of heliports and

1 hovercraft service and any means of improving existing transportation
2 facilities and service.

3 Sec. 44.42.060. GRANTS TO THE DEPARTMENT. The commissioner
4 may apply for and accept on behalf of the state grants from the
5 federal government or an agency of it or from a foundation, corporation,
6 association or individual, for any of the functions or purposes of
7 the department, and, when authorized by a budget amendment approved
8 by the governor and the Legislative Budget and Audit Committee, may
9 expend the money so received to effect these functions and pur-
10 poses.

11 Sec. 44.42.070. LIMITATION ON TRANSPORTATION FACILITIES.

12 (a) The department shall consult with the appropriate officials
13 in the Departments of Fish and Game, Health and Social Services,
14 Natural Resources and Environmental Conservation regarding the en-
15 vironmental hazards and the conservation, sanitation, recreation and
16 social considerations that may arise by reason of the location,
17 design, construction or reconstruction of a transportation
18 facility.

19 (b) No highway, transit line, highway interchange, airport
20 or other transportation corridor or facility may be built or expanded
21 in such a way as to use the land from a recreation area, historic site,
22 state park, state forest, state critical habitat area, state game
23 sanctuary or refuge, or state wilderness park unless (1) there is
24 no feasible and prudent alternative to the use of that land; and (2)
25 the corridor or facility is planned and constructed so as to minimize
26 environmental impact to the land.

27 Sec. 44.42.080. ANNUAL REPORT. The commissioner shall submit
28 to the governor and the legislature an annual report on or before
29 January 1 of each year. The report shall include the recommendations

1 of the commissioner for legislation necessary to develop and
2 maintain a modern, efficient and well-balanced transportation
3 system.

4 * Sec. 2. AS 44.15.010 is amended by adding a new paragraph to read:

5 (18) Department of Transportation

6 * Sec. 3. TRANSFER OF FUNCTIONS. (a) The Department of Transportation
7 is hereby vested with the duties, powers and responsibilities formerly
8 exercised and held by

9 (1) the Department of Highways;

10 (2) the Commission for Northern Operations of Rail Transporta-
11 tion and Highways;

12 (3) the Department of Public Works in respect to construction,
13 maintenance and operation of state ferries, airports, docks, floats,
14 breakwaters and similar facilities.

15 (b) The following divisions are transferred as indicated:

16 (1) the division of buildings, Department of Public Works, is
17 transferred to the Department of Administration;

18 (2) the division of communications, Department of Public Works,
19 is transferred to the Department of Public Safety.

20 (c) Appropriations, records, equipment and other property of depart-
21 ments, divisions and agencies of the state designated in (a) of this sec-
22 tion are transferred to the department.

23 (d) This section does not abate or otherwise affect an action or
24 proceeding, civil or criminal, brought by or against a department, division,
25 agency, or commission designated in (a) of this section and pending on
26 January 1, 1974. Such actions or proceedings may be maintained in the same
27 manner as if the section had not taken effect.

28 (e) All applications, petitions, hearings and other proceedings pend-
29 ing on December 31, 1973 before a department, division, agency or commission

1 designated in (a) of this section shall be continued and determined by the
2 affected body.

3 (f) Appropriations and other money available to and to become available
4 to a department, division, agency or commission the functions, powers and
5 duties of which have been transferred to the department established under
6 this Act, or to any other department to which has been transferred additional
7 functions, shall be available for the objects and purposes for which appro-
8 priated or otherwise made available, subject to terms, restrictions, limita-
9 tions or other requirements imposed under this section or other state or
10 federal law.

11 (g) Regulations, rules, orders, or other acts in effect with respect
12 to a department, division, agency or commission transferred to the department
13 under this section shall continue in full force and effect until amended,
14 modified, repealed or rescinded as the commissioner determines in accordance
15 with law. Existing contracts made by a department, division or agency trans-
16 ferred to the department under this Act remain in effect according to the
17 terms of the contracts.

18 (h) The powers, duties and functions transferred to the department
19 under this section are in addition to, and not derogated by, the powers,
20 duties and functions otherwise vested in the department under this Act.

21 (i) The following statutes are modified to the extent necessary to
22 bring them into conformity with this section: AS 02.10 - 02.35; AS 19;
23 AS 28.05; AS 35; AS 36; AS 39; AS 41; AS 44.15; AS 44.19.410, 44.19.820; and
24 AS 44.57.

25 * Sec. 4. AS 44.15.010(13) and (15); AS 44.19.700 - 44.19.714; AS 44.43;
26 and AS 44.44 are repealed.

27 * Sec. 5. This Act takes effect on January 1, 1976.
28
29

File Copy

OWA 121 (Rev. 5-73)

UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
Washington, D.C. 20590

DATE March 28, 1975

In reply
refer to: HCC-50

SUBJECT: Alaska DOT Bill

FROM: Assistant Chief Counsel
For General Law

TO: Mr. James F. Zotter
10-00 Assistant Regional Counsel
Portland, Oregon

This is in response to your memorandum of March 18, 1975, requesting our opinion as to the effect of 23 U.S.C. 302 upon the proposed Alaska Department of Transportation Bill (House Bill No. 63, section 3). It is our view that the proposed bill will not meet the requirement of 23 U.S.C. 302(a) that a State have a suitably equipped and organized highway department with adequate powers to discharge the duties required by title 23, United States Code.

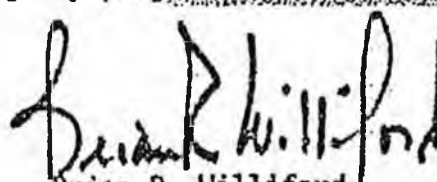
The proposed bill would authorize the Department of Public Works to assume the duties and powers over (1) State highway design and construction; (2) acquisitions of rights-of-way; and (3) the relocation assistance program. The bill would vest with State Department of Transportation the duties and powers over (1) highway planning; (2) highway maintenance and operation; and (3) all other duties not specifically given to the Department of Public Works. In Section 2 the bill states that the State DOT will "work cooperatively with the Department of Public Works to assure that design and construction of transportation facilities by the Department of Public Works are consistent with plans and operational requirements." (Section 44.42.020(7)) It appears that the State DOT will be equal in status with the State Department of Public Works. That is, in the functional area of governmental action that FHWA oversees, there would be two co-equal State agencies, the State DOT and the State Department of Public Works. For different parts of the highway program, FHWA, according to this proposed bill, would have to deal with two State agencies independent of one another.

23 U.S.C. § 302(a) speaks of "a State highway department" which will be adequate to perform the duties required of it by Title 23. "State highway department" is defined in 23 U.S.C. § 101(a) as "that department,

commission, board, or official of any State charged by its laws with the responsibility for highway construction." The term "construction" is defined in § 101(a) as "the supervising, inspecting, actual building, and all expenses incidental to the construction or reconstruction of a highway, including locating, surveying, and mapping . . . acquisition of rights-of-way, relocation assistance" In all of above mentioned sections there is only one State agency mentioned--not two. Furthermore, in §§105, 106, 109 which deal with planning of a highway project there is only one State agency mentioned--the State highway department--and this is the same agency as mentioned in §110 which concerns the actual project agreement for the highway construction.

RE

From the language of the code it is clear that Congress intended that one State agency should be responsible for all facets of the highway program from the original planning stage through to the construction phase. The proposal to split the functions of highway construction and planning between co-equal State agencies runs counter to the terms of the statute. In our opinion Congress intended that there be one State agency, by whatever name it is designated, which handles all phases of the Federal-aid highway program.


Brian R. Williford

FROM

FORM 1

The Finance Committee has had HOUSE BILL NO. 63 (Department of Transportation; effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 63 (Finance) (same title) and that it do pass. The report was signed by Mr. Malone, Chairman, and concurred in by Buchholdt, Duncan, Itta, Naughton, Gruening, Cowper and Malone. Not concurring was Haugen who has no recommendation.

HOUSE BILL NO. 63 was referred to the Rules Committee for placement on the calendar.

The Finance Chairman's report on HOUSE BILL NO. 63 appears as follows:


"FINANCE COMMITTEE REPORT

ON

COMMITTEE SUBSTITUTE FOR HOUSE BILL 63

It is the Legislative intent in the Finance Committee Substitute for House Bill 63 that there will not be in FY 76 an additional appropriation for the establishment of the Department of Transportation since the costs of reorganization are expected to be absorbed as the result of an adoption of a non modal structure.

The Legislature expects, as a result of the reorganization and consolidation of the transportation functions, that transportation costs to the state of Alaska for the state budget should decline. The Legislature encourages the administration to meet these goals.


 Hugh Malone, Chairman
 House Finance Committee"

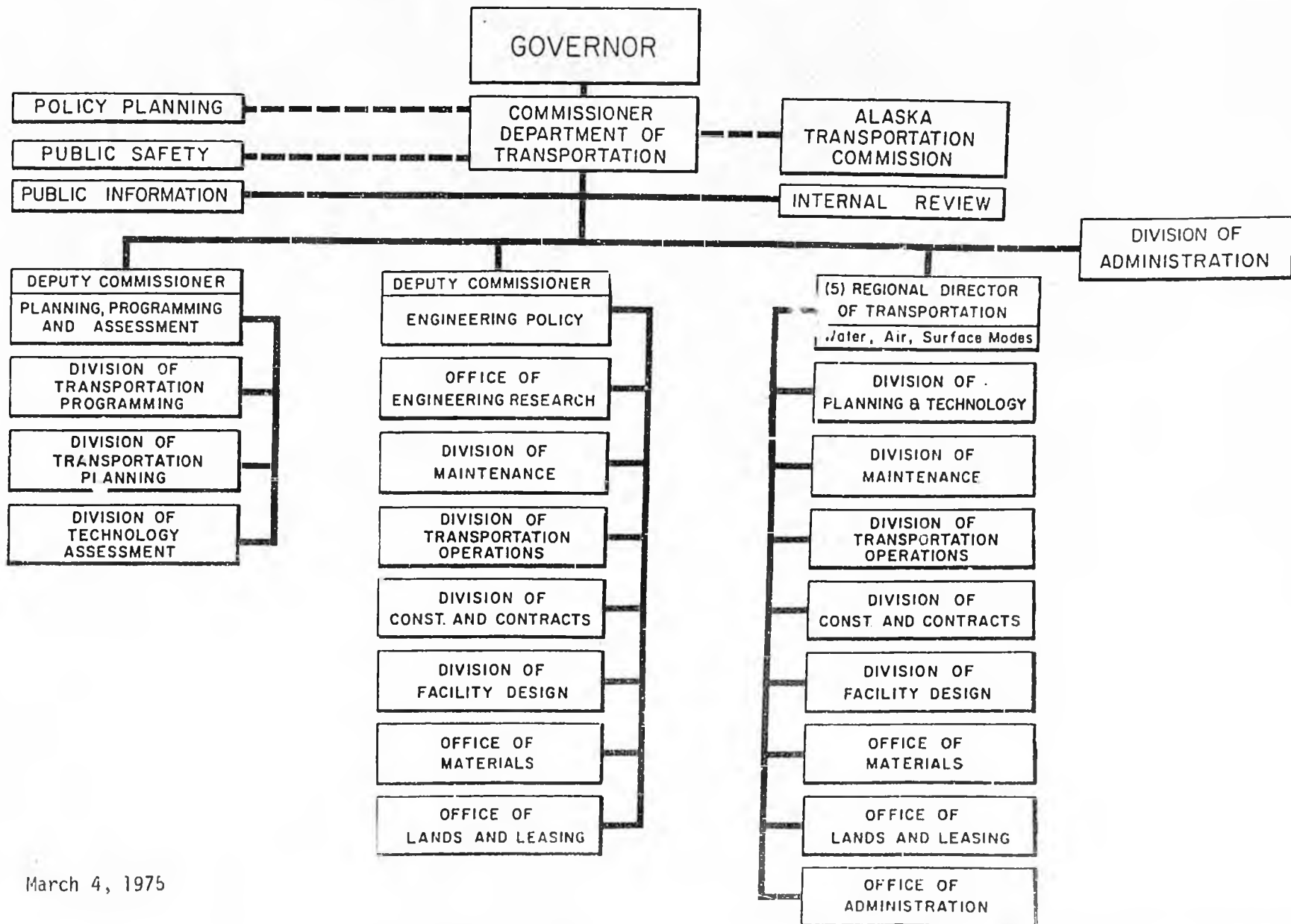
The Finance Committee has had HOUSE BILL NO. 171 (water resources revolving loan fund; effective date) under consideration and a majority of the members of the Committee recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 171 (Finance) HB
171

"An Act relating to creator of a water and electric power resources revolving loan fund; and providing for an effective date."

and that it do pass. The report was signed by Mr. Malone, Chairman, and concurred in by Buchholdt, Duncan, Itta, Naughton, Haugen, Gruening, Cowper and Malone.

HOUSE BILL NO. 171 was referred to the Rules Committee for placement on the calendar.

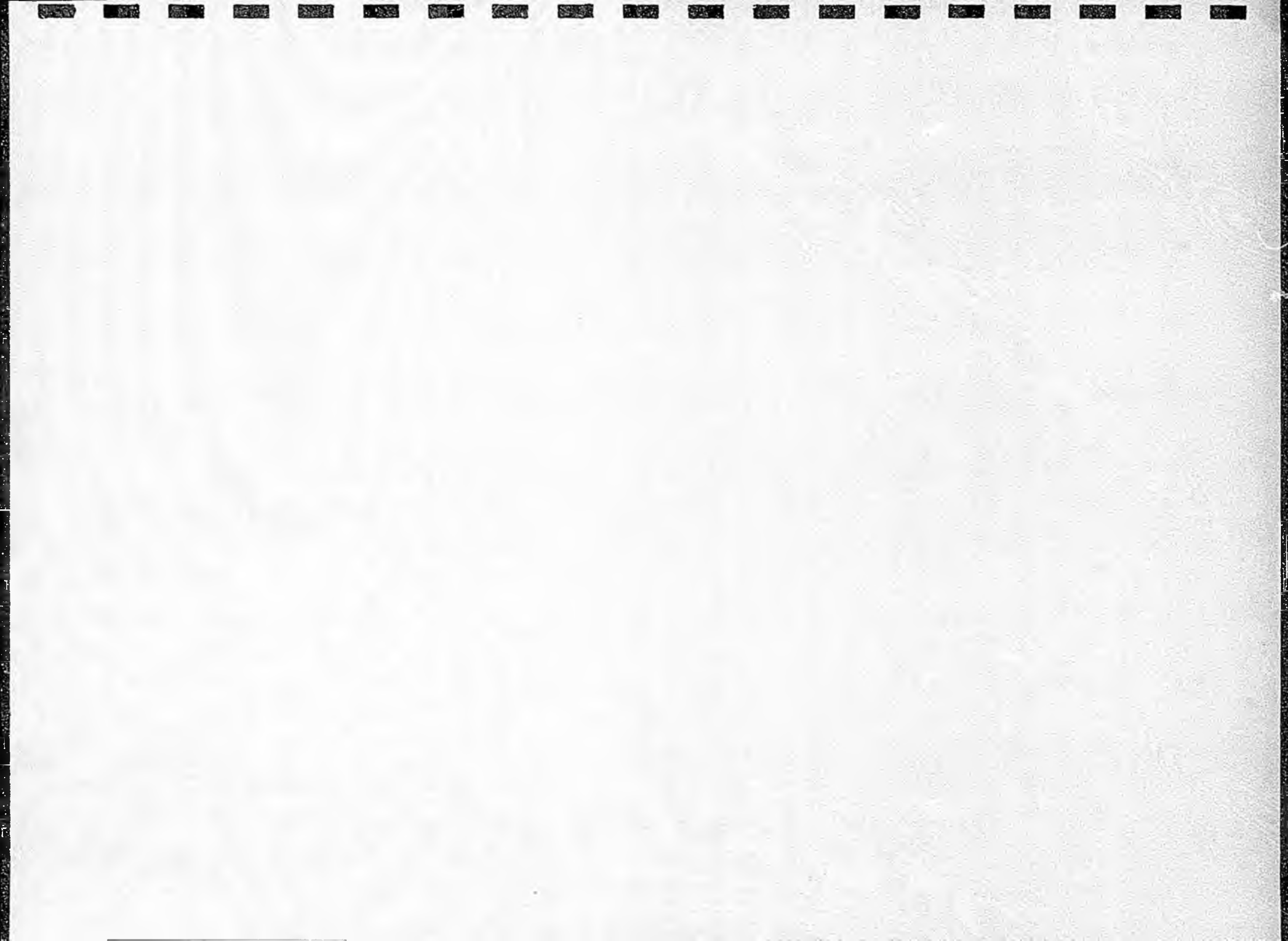
PROPOSED DEPARTMENT OF TRANSPORTATION FOR THE STATE OF ALASKA



March 4, 1975

1. The Proposed Alaska D.O.T.
2. Response to Typical Objections of a Department of Transportation
3. Suggested legislation - enabling legislation which would allow the State of Alaska to proceed developing an organization with a functional emphasis under the control and direction of a single commissioner.
4. Comments by Commissioner Parker regarding a Department of Transportation
Speech to Alaska Airmen's Association - February 5, 1975
Speech to Bartlett Democratic Club - March 13, 1975
5. National Overview:
State Transportation in Transition by D. Joseph Smith
Assistant to the Director of Program Management
U. S. Department of Transportation

Information and Observations Concerning State Department of
Transportation



A WORKABLE ALASKA DEPARTMENT OF TRANSPORTATION (ADOT)

- * THE ADOT SUGGESTED ON THE FRONT COVER IS ONE THAT EVOLVED FROM AN INTENSIVE STUDY OF THE ALASKA TRANSPORTATION SECTOR NEEDS AND OTHER STATES' DOT EFFORTS.

THE EMPHASIS IS UPON REGIONAL PLANNING WITH OVERALL POLICY AND PERFORMANCE REVIEW AND SUPPORT STAFF CONTAINED IN TWO STRONG CENTRAL DEPUTY COMMISSIONER OFFICES, PLANNING-PROGRAMMING-ASSESSMENT AND ENGINEERING POLICY.

- * THE REGIONAL EMPHASIS IS IMPORTANT IN RELATING AND DEFINING THE NEEDS OF THE RESIDENTS AND INDUSTRY OF THE REGION TO THE TRANSPORTATION IMPROVEMENTS. THE CREATION OF REGIONAL TRANSPORTATION TASK FORCES COMPOSED OF REGIONAL RESIDENTS, LOCAL PLANNING GOVERNMENTS, CORPORATIONS, WOULD BE A MEANS OF DEFINING DESIRABLE TRANSPORTATION AND DEVELOPMENT PLANS. THE RELATIONSHIP BETWEEN WATER-AIR-LAND USE AND TRANSPORTATION IS EXPLICITLY RECOGNIZED.

- * THE CREATION OF A STATE MASTER PLAN FOR TRANSPORTATION, BOTH LONG RANGE AND THE FIVE YEAR CAPITAL IMPROVEMENT SCHEDULE, WILL BE DONE AT CENTRAL HEADQUARTERS. STRONG FISCAL CONTROL OF THE PROJECTS WILL BE ACHIEVED THROUGH COST-EFFECTIVENESS STUDIES AND PLANNED-PROGRAM-BUDGETING SYSTEMS, WHICH ARE STANDARD PROFESSIONAL TRANSPORTATION PLANNING-PROGRAMMING-ASSESSMENT TOOLS.

- * THE STATE MASTER TRANSPORTATION PLAN WILL BE THE AGGREGATE OF ALL THE REGIONAL PLANS COORDINATED FOR EFFICIENCIES IN TRANSPORTATION AND WITH STATE PLANS AND POLICIES, ESPECIALLY DEVELOPMENT AND AIR-WATER-LAND USE PLANS.

- * THE CHECKS AND BALANCES UPON THE ADOT'S PROGRAMS AND PROJECTS IS ACHIEVED THROUGH LEGISLATIVE, GUBERNATORIAL, AND PUBLIC REVIEW OF BOTH THE FIVE YEAR CAPITAL INVESTMENT PROGRAM AND OPERATIONS SCHEDULE AND THE STATEWIDE MASTER TRANSPORTATION PLAN. THE MOST EFFECTIVE LEGISLATIVE REVIEW IS THROUGH BOTH THE FISCAL ALLOCATIONS PROCESS AND THROUGH THE LEGISLATIVE AUDIT OF MANAGEMENT AND PROGRAM EFFECTIVENESS.

- * IT IS ENVISIONED THAT THERE WOULD BE THREE PRIMAL SOURCES OF PROGRAMS AND PROJECTS:
 - + THOSE INITIATED BY THE LEGISLATURE AND GOVERNOR
 - + THOSE INITIATED WITHIN THE REGIONS
 - + THOSE INITIATED BY THE PLANNING DIVISION IN RESPONSE TO AN IDENTIFIED NEED.

THESE WILL BE AT THE APPROPRIATE STATE OR REGIONAL LEVELS WITH THE CENTRAL DIVISION OF PROGRAMMING BEING RESPONSIBLE FOR THEIR APPROVAL AND SCHEDULING. THE REGIONAL DIRECTOR(S) OF TRANSPORTATION IS RESPONSIBLE FOR CARRYING OUT IN HIS REGION THE DETAILED PLANNING-DESIGN CONSTRUCTION-MAINTENANCE PROCESS.

* THE FORMAT SHOWN ON THE FRONT COVER IS A FUNCTIONAL ONE RECOGNIZING THAT ECONOMIES OF OPERATION ARE POSSIBLE BY COMBINING ADMINISTRATIONS AND CREWS OF DIFFERENT MODAL AGENCIES. IT IS THE ONLY FORMAT, GIVEN THE HISTORY OF THE OTHER STATE DOTs, THAT WILL EVOLVE INTO A TRULY MULTI-MODAL DEPARTMENT.

THE FORMAT ALSO RECOGNIZES THE INTERACTION THAT IS NECESSARY BETWEEN THE DIFFERENT DIVISIONS TO SUCCESSFULLY RUN A DEPARTMENT'S PROGRAMS AND PROJECTS COST EFFECTIVELY. FOR EXAMPLE, IN THE WINTER-SPRING ALL CONSTRUCTION PERSONNEL WORK IN PLANNING, DESIGN, MAINTENANCE, AND OTHER FUNCTIONS. THIS IS EFFICIENT UTILIZATION OF MANPOWER AND REMOVES THE SEASONALITY CONSTRAINT IN MAINTAINING A PROFESSIONAL STAFF.

* THE FOLLOWING DISCUSSIONS PROVIDE A GENERAL DISCUSSION OF ADOT AND OTHER DOTs DESCRIBING SOME OF THE UNIQUENESS THAT DICTATES THE FRONT COVER ORGANIZATION TO BE THE BEST DOT WORTH STRIVING FOR BY ALASKANS.

Some examples cited are:

no rational approach to transportation goal setting - little recognition of citizen input, the private sector, land and water use plans, and federal and state regulation;

no coordinated long-range planning between all transportation modes - courses of action are adopted and changed with little planning or analysis;

no public statements of transportation policy which correlate action to the state's needs;

no effective provision for integrated transportation planning - no constancy in the direction of efforts;

no significant functional integration of like services across modes (e.g., design, maintenance);

no definitive assessments of available transportation action options; and

no definitive assessments that reflect the total social, economic, and environmental costs and benefits of action options over the long-range planning period.

The modal independence of the current structure can make the goal of a continuing process of multimodal planning, programming, and design a difficult, if not impossible, bureaucratic maneuver. Complex urban problems, where they are distinct tradeoffs between public transit and additional freeways and streets, have to be analyzed in a systems context that reflects the desired growth and land/air/water use patterns of the residents. At the present time there is little opportunity for emerging technology to be evaluated or implemented in the Alaska transportation system. No one body in the State is charged with review of the impact other transportation components such as port developments, pipelines, etc., have upon the existing transportation system. Both the Department of Public Works and the Department of Highways have financed ACV (air cushion vehicle) studies. Who in the State is to be in charge of new modes and investigate them in a comprehensive manner (e.g., rail expansion)?

All of these factors contribute to a general mood in Alaska that some change in the workings of the transport sector of the State is necessary for Alaskans to be able to have the best mix of transport modes for Alaska.

GOALS AND OBJECTIVES

The transportation sector of State government responds to the unique mobility requirements of all Alaskans by considering:

PUBLIC NEEDS AND DESIRES - Public's needs and desires must be considered.

DYNAMIC TRANSPORTATION INDUSTRY - Alaska seeks promotion of a solvent, energetic, and competitive industry.

STATE GOALS AND OBJECTIVES - The transportation system must support the comprehensive goals and objectives of the State.

USE AND PROTECTION OF RESOURCES - Social, economic, and environmental resources must be protected.

INTEGRATED POLICY-PLANNING - State and regional land, air, and water use plans and policies must be integrated in the development of comprehensive transportation policies and plans.

TRANSPORTATION POLICY AND PLANS - Orderly development requires long-range planning and policies for Alaska.

SELECTING PRIORITIES - Capital improvements, all modes, must be evaluated over the long-range planning period as to how each meets the needs of Alaskans.

UNIFIED DIRECTION - The transportation organization must have unified direction in all its efforts - coordination with Public Safety and Department of Commerce (Licensing and Regulation).

INTEGRATION OF FUNCTIONS - Cost effective use of resources will result through integration of functions.

REGIONAL EMPHASIS - The needs of each region are unique - liaison between users, the public, private sectors will be established.

OVERVIEW OF THE ALASKA SITUATION

Historically, Alaska had under the Department of Public Works the framework of a Department of Transportation. All modes were within the department with little, if no, modal inter-ties (e.g., an umbrella organization). The Department of Highways was created to provide intensive fiscal control and accountability for federal funding purposes.

Today the State of Alaska, as well as some states with Departments of Transportation, are not yet organized to efficiently carry out the goals and objectives which the state deems necessary to support the many facets of Alaska's quality of life.

STATE DEPARTMENTS OF TRANSPORTATION

The first state in the union to have a Department of Transportation was Hawaii in 1959. Since that time twenty-six states have created D.O.T.s and thirteen are considering D.O.T. legislation for a wide range of reasons. Reasons specific to Alaska are identified followed by those for which Alaska does not have a similar problem. A total of seventeen states were contacted for this research and the following represents a cross-section of cited reasons.

Quoted reasons similar to Alaska's situation:

1. To create a statewide transportation development plan, set goals for the future, and determine existing conditions.
2. To coordinate and centralize regulations, licensing, and taxation of transportation modes.
3. To coordinate transportation with the economic development of the state.
4. To promote and protect the state land and water use act.
5. To minimize transportation costs and maximize benefits.
6. To supply a broad framework to which regional, metropolitan, and local transportation needs can be related.
7. To facilitate the supply of federal and state aid to those areas that will benefit the state as a whole.
8. To coordinate and implement the National Transportation Plan with the state transportation planning program.
9. To insure the consideration of social, economic, and environmental impacts of transportation over a long-range planning period.

Quoted reasons not directly applicable to Alaska's situation:

1. Consolidate many of the state's boards and commissions.
2. Correct the inability of existing structures to respond to new federal funding and required planning and program certification (e.g., TOPICS, 1974 Transportation Plan).
3. Expansion of bonding capabilities through merging of different funds into one single transportation fund.

The apparent common thrust in all of the D.O.T.s is the creation of a viable integrated transportation planning department, secure some operational efficiencies through combination of like functions, streamline the project-program-planning-construction process to be responsible to statewide goals and citizen input, place the department upon a similar cost-benefit accounting system, and to merge a number of different departments, divisions, commissions, and agencies into one organization.

ORGANIZATION CONCEPTS

There are many diverse organization frameworks that the State could utilize to implement the objectives of the transport sector. Varying degrees of success will be realized, depending on which organizational framework is adopted. No organization chart or framework is going to be successful without the ability of the staff and the public and the private sectors to relate to and use the framework. A careful time-staged progression over a couple of years is envisioned before the Department of Transportation will become integrated into one unit.

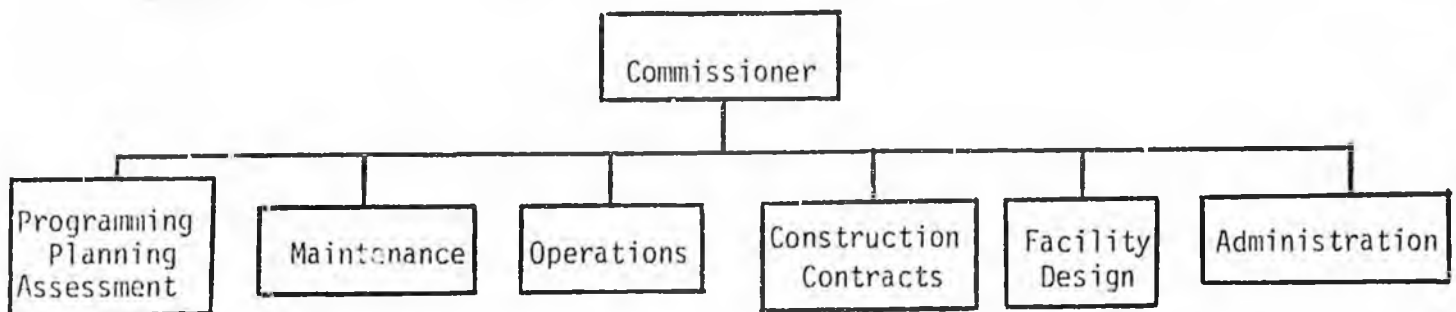
It is recognized in the transportation profession that the most cost-effective organization for a Department of Transportation is the functional D.O.T. wherein the functional divisions are defined by purpose or service performed. This non-modal approach tends to encourage overall cooperation of agency elements. This cooperative atmosphere is very difficult to achieve when separate modal identities (and independence) are continued in a state D.O.T. Modal independence can make the goal of a continuing process of multi-modal planning, programming, and design a difficult, of not impossible, bureaucratic maneuver.

Basic to the formation of a D.O.T. is the premise that due to the nature of the transportation planning-design-construction-maintenance-operation process that these functions cannot operate in other than on a single departmental basis. Good program management practices dictate that direct control of all resources be put under the direction of a strong executive.

A FUNCTIONAL DEPARTMENT OF TRANSPORTATION

A functional organization tends to coordinate and/or integrate like functions and services throughout a Department of Transportation for cost-effective use of the department's resources. This avoids duplication of services among modes, gains efficiencies in administration, over a period of time changes the focus from a modal basis to an integrated system basis for operations, planning, design, construction, and maintenance.

The organizational structure of a functional Alaska D.O.T. is shown below:



Under the above organization each function is responsible for all modes. Each division works with the same data base, prepares its accounts and performance statistics in a similar fashion, and each division has to maintain its assignments on time so that the entire system works properly.

The existing divisions and agencies in the Department of Public Works and Department of Highways in the above organizational structure are defined below.

The Planning-Programming-Assessment Function

The functions of planning-programming-assessment were considered to be so interdependent upon one another that they should be put within a single organization unit. The discussion model of the functional organization shows these functions reporting to the Deputy Commissioner of Planning, Programming, and Assessment.

A division of planning is responsible for all policies, plans, and programs relating to transportation needs within the State.

The division of programming is responsible for the monitoring of projects and programs for the staging and selection of capital improvements within budgetary limits and in response to the needs of the State of Alaska.

A division of assessment, in cooperation with design and monitoring of construction, is responsible for the assessment of all social, economic, and environmental impacts, both on a benefit and disbenefit basis, over the long-range planning period.

The various functions within the above groups work collectively upon policies, plans, projects, schedules, programs, and other action options, including the null option. Input from citizens, residents, the private sector, associations, other agencies, and local and regional planning groups will be sought.

Example Organizations Within this Function

1. The Advance Planning Division of the Department of Highways.
2. The Mapping Unit of the Department of Highways.
3. The Traffic Unit of the Department of Highways.
4. The Planning Office of the Division of Aviation.
5. The Environmental Units of the Division of Aviation and the Department of Highways.
6. Some units within the administration of both departments.

The Maintenance Function

The Maintenance Division is responsible for maintenance effort of the transportation systems and modes both at headquarters and regional levels.

Example Organizations Within the Function

1. Maintenance of the State Highway System.
2. Ground and Field Maintenance of International Airports.
3. Trunk and Secondary Airports.

The Transportation Operations Function

The Transportation and Operations Division is responsible for the operations program where special or unique operations/services dictate special consideration both at headquarters and regional levels.

Example Organizations Within this Function

1. Operation of the State Ferry System.
2. Operation of the State Equipment Fleet.
3. Operation of the Buildings Program.
4. Security of the International Airports.

The Construction and Contracts Functions

The Construction and Contracts Division is responsible for the contract administration of all transportation construction projects both at headquarters and regional levels.

Examples Within this Function

1. Contract Administration of the Department of Highways Construction Program.
2. Contract Administration of the Division of Aviation Construction Program.
3. Contract Administration of the Division of Waters and Harbors Construction Program.

The Facility Design Function

The Facility Design Division is responsible for the overall design of transportation facilities both at headquarters and regional levels.

Examples Within this Function

1. Design of Highway Facilities.
2. Design of Aviation Facilities.
3. Design of Waters and Harbor Facilities.

The Engineering Research Function

The Engineering Research office is responsible for all engineering research programs both at headquarters and regional levels.

Example Organizations Within this Function

1. Department of Highways Research Program.

The Materials Function

The Materials office is responsible for materials testing, quality control, and engineering geology both at headquarters and regional levels.

Example Organizations Within this Function

1. Department of Highways Materials Program.

The Lands and Leasing Function

The Lands and Leasing office is responsible for the Lands and Leasing Programs both at headquarters and regional levels.

Example Organizations Within this Function

1. The Department of Highways Right-of-Way Program.
2. The Division of Aviation Right-of-Way and Leasing Program.

The Administrative Function

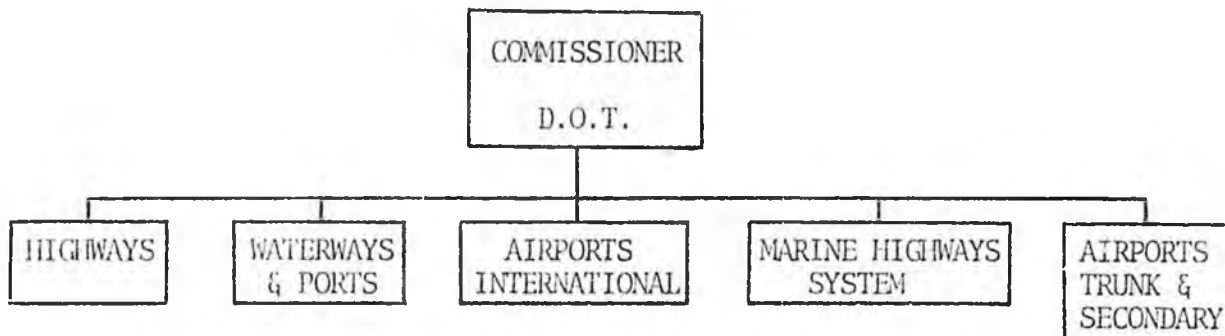
The Administrative Division is responsible for administrative support activities, including finance, personnel, data processing, and supply and services. Functions planned at headquarters and regional levels.

Example Organizations Within this Function

1. Highway Administration.
2. Public Works Administration.
3. Highways Regional Administration.
4. Division of Aviation Administration.
5. Trunk and Secondary Administration.
6. International Airport Administration.
7. Marine Transportation Administration.

UMBRELLA DEPARTMENTS OF TRANSPORTATION AND OTHERS

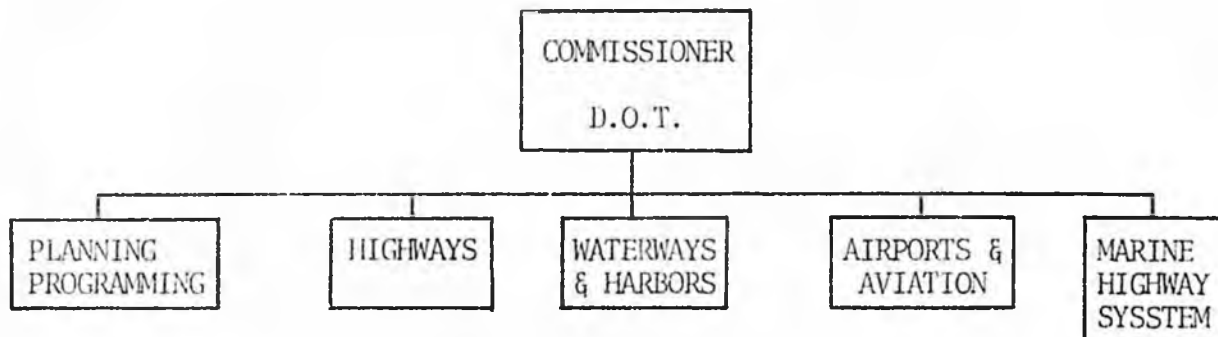
The umbrella departments of transportation are D.O.T.s in name only. In these D.O.T.s the organization still remains with separate modes operating in a competitive environment with a director of D.O.T. and a change in letterheads. These are named "umbrella" because the creation of a D.O.T. did not recognize the goals and objectives of multi-modal planning. In this organization structure, shown below, each modal agency performs all of the functions described in the previous section. That is, each agency has its own structural engineers, its own graphics section, its own data collection system, its own accounting system, its own administration, its own performance criteria, etc.



D.O.T. MODAL ORGANIZATION

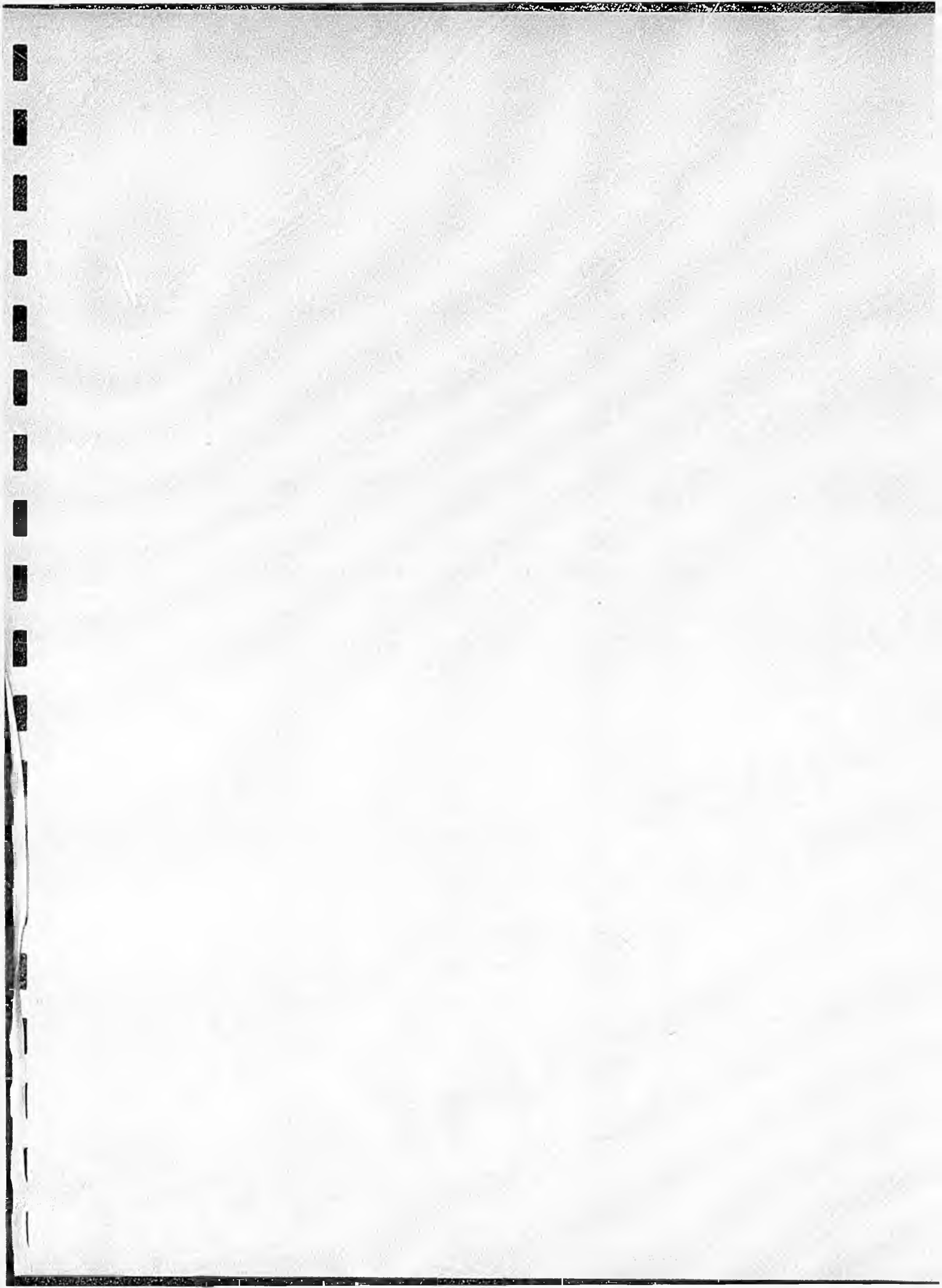
The advantages of such a system are: that the public and private sectors can relate their needs to specific agencies directly; that the smaller modal divisions staff have a good working knowledge of the entire operations; and that the administration of each division is less complex than in the functional. The disadvantages are: that an integrated planning-programming-construction-maintenance is very difficult to achieve, the formal reasons for such being absent. Also, there are no economies of scale operative and duplication of like services occurs across all divisions.

The mixed functional-modal organization recognizes the importance of integrating selected functions but maintains the modal divisions. An example of this framework is shown below where the selected function to be integrated is the planning function.



D.O.T. MIXED ORGANIZATION

The advantages of this system are that it has integrated planning and still maintains modal identity in the operational divisions. However, it gains none of the efficiencies that the functional format offers. It is considered a step above a modal organization because of the functional planning-programming-assessment division.



Response to Typical Objections for a D.O.T.

1. It would concentrate tremendous power and hundreds of millions of dollars into the control of the head of such a department.

While it is true that a commissioner of the proposed Department of Transportation would be in control of a budget that currently runs approximately \$234 million, and will influence the direction of such a department, it is also equally valid that the individual will be held accountable for the development of the transportation sector in the State of Alaska.

2. It would weaken and dilute the authority of the legislature in transportation matters.

False. One of the checks and balances in the proposed Department of Transportation would be an articulated Alaskan transportation plan which will present a time-staged map of transportation development with associated capital improvement costs, maintenance costs, and anticipated benefits derived from transportation improvements in order to provide the legislature with a legitimate review of the transportation planning and proposed improvements. Deletions, changes, or additions to this Alaska transportation plan would have to be done in concert with the legislature with a full justification for such changes as they relate to cost and benefits.

3. There are no provisions for qualifications of the commissioner or the heads of the various divisions, although many types of technical skills and knowledge are involved.

It is true that there are no provisions for qualifications of the commissioner or various department heads. However, it should be noted that our system of government holds the commissioner ultimately responsible for the development of his department. In the proposed Department of Transportation various division heads are anticipated to come under the classified employee system in which very rigorous qualification standards are required to be met.

4. Highway users see this as a means of diverting highway user tax dollars away from highways for non-highway uses such as the proposals for rail transit commuter service in the Anchorage area or other purposes.

True. Principal highway users are concerned. However, principal highway users should recognize the basic fact that the flexibility in allocation of highway dollars is federally mandated. There is very little opportunity for diversion of highway funds at the present time to create anything but highways or services which complement the utility of highways. It is also recognized by this administration that greater flexibility by 1980 in the federal allocation of transportation dollars will necessitate a unified State position in petition for such transportation funds.

5. Transportation departments in other states differ greatly. Some are just another name for the Highway Department.

These observations are valid. The term Department of Transportation has become, through time, a generic term which includes not only some good organizational patterns, but also some poor organizational patterns which have resulted, in some cases, in greater confusion than existed prior to the creation of such departments.

Some do not include highways.

With the exception of the newly established Missouri D.O.T., all state D.O.T.s include the highway mode among their responsibilities.

There is no proof that establishing a State D.O.T. improves efficiency or benefits the public.

True. There is no strong evidence at the present time that the creation of a State Department of Transportation will improve the efficient or benefits to the public. The mere creation of a Department of Transportation is not a cure-all for all the ills which accrue to the transportation sector. There is no organization plan which can ever entirely overcome the strengths and/or weaknesses of its chief executives.

6. Planning between the agencies can be coordinated without creating a new and huge "super agency".

False. It is recognized within the governmental structures that a unified planning group's goals cannot be obtained without coordinating all planning between agencies through one entity. In other words, it is difficult to achieve the comprehensive and unified transportation plan for the State of Alaska without creating a new "super planning agency".

7. Highway users feel that Alaska needs more highways and improved highways, not a department to figure out alternatives for highways.

True. The State of Alaska also feels that highway development is a very critical factor in surface transportation in Alaska. However, it should be recognized that there are not adequate funds to reach to all points in Alaska at the present time. In lieu thereof alternatives must be figured out in order to afford that sector of Alaska with transportation opportunities which highways cannot meet.

8. Separate departments are more responsive to the public than one "super department".

This statement is an observation and a judgment which does not allow itself to be rendered either true or false.

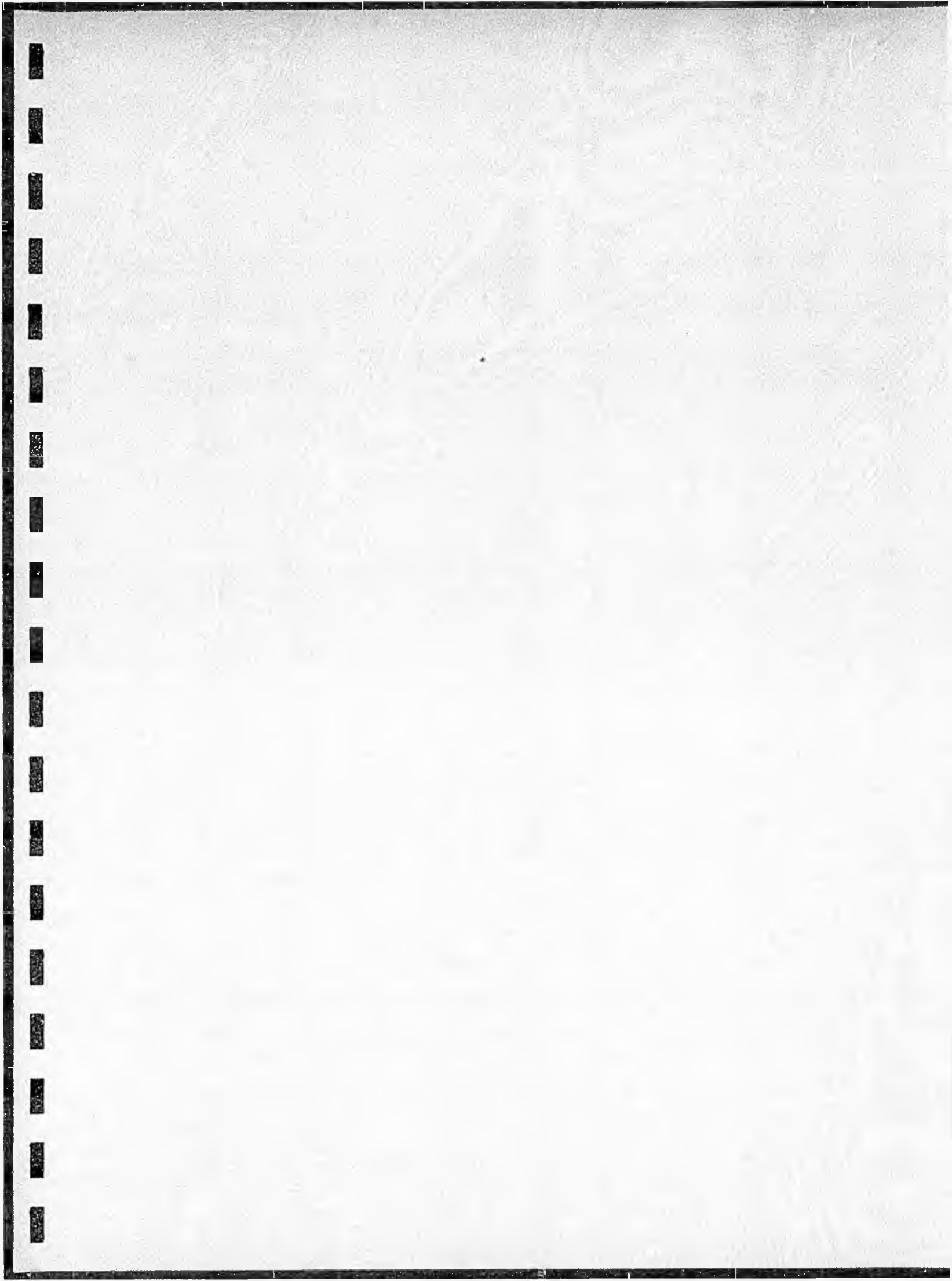
9. Emphasis on environmental consideration in the proposal make it difficult for any new transportation facility to be built without months and years of litigation, hearings, and controversy.

False. The emphasis in the proposed D.O.T. bills of environmental considerations are, in essence, a reflection of the very real fact that these environmental considerations are required in all significant transportation development. The argument for a Department of Transportation in this regard is to mute potential testimony by litigants in regard to EISs prepared by a transportation agency for a particular mode, such as Highway Department for highways. Charges have been made that prepared environmental impact statements by the Department of Highways is, in many cases, a clouding of the issue because the Department of Highways wants only to build highways. If that same document is prepared by a Department of Transportation, the agency is in a position to mute such testimony by suggesting that it is responsible for the development of all modes of transportation. Thus, it requires litigants to be more particular about any objections to environmental impact statements, thus cutting down unnecessary lead time for environmental considerations.

10. Although proposed bills show separate division for air, water, and highway transportation, organization charts circulated by administration representatives do not. These charts show only overall planning, maintenance, and construction divisions with no divisions for various modes of transportation.

True. Organization charts presented by administrative representatives have presented the concept of a functional organization or coordinate and/or integrate like functions and services throughout a Department of Transportation to cause effective use of the department's resources. This avoids duplication of services among modes, gains efficiencies in administration, and over a period of time changes the focus from a modal basis to an integrated system basis for operations, planning, design, construction, and maintenance. Each function will be responsible for all modes. Each division works from the same data base, prepares its account and performance statistics in a similar fashion, and each division has to maintain its assignments on time so that the entire system works properly. It should be noted that the functional concept of the Department of Transportation is rather advanced in comparison to the original umbrellaed Departments of Transportation in which the mode identity was maintained throughout each agency. Each modal agency performed all of the functions; that is, each agency had its own structural engineers, its own graphics section, its own data collection system, its own accounting system, its own administration, its own performance criteria, etc. The advantages of such a system are: that the public and private sectors can relate their needs to specific agencies directly, that the smaller modal divisions staff have a good working knowledge of the entire operations and that the administration of each division is less complex than in the functional organization. The disadvantages are: that an integrated planning programming, construction, maintenance cycle is very difficult to achieve for all

modes. Also, there is very little possibility for economies of scale as it relates to operations in the duplication of like services that occur across all modal divisions. Another modal organizational possibility for the State of Alaska to address is a mixed, functional-modal organization which recognizes the importance of having a central planning office but maintains the modal divisions. The advantages of this system are: that it would have integrated planning while still maintaining modal identity in the operational divisions. However, it gains none of the efficiencies that the functional format offers. It is still considered a step well above the traditional umbrella type Department of Transportation organization because the function of planning has been unified and provides a systems approach for a unified transportation network throughout the State.



Original sponsor:

BY THE

1 IN THE HOUSE

2 CS FOR HOUSE BILL NO. 63

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Department of Transportation;
7 and providing for an effective date."

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

9 # Section 1. FINDINGS AND PURPOSE. The legislature finds that the
10 diverse transportation needs of the state would best be served by the crea-
11 tion of a single department for the planning, study, development, operation
12 and maintenance of integrated, intermodal transportation systems. The
13 purpose of this department is to evaluate, plan, design and construct all
14 state transportation modes and systems, relying on analysis of the relative
15 advantages of different modes and systems and considering their social,
16 economic, and environmental consequences.

17 # Sec. 2. AS 44 is amended by adding a new chapter to read:

18 CHAPTER 42. DEPARTMENT OF TRANSPORTATION.

19 Sec. 44.42.010. COMMISSIONER OF TRANSPORTATION. The principal
20 executive officer of the Department of Transportation is the commis-
21 sioner of transportation.

22 Sec. 44.42.020. POWERS. The department may

23 (1) plan, design and construct all state modes of trans-
24 portation and transportation facilities;

25 (2) study existing transportation modes and facilities in
26 the state to determine how they might be improved or whether they
27 should continue to be maintained;

28 (3) study alternative means of improving transportation in
29 the state with regard to the economic costs of each alternative and

1 its environmental and social effects;

2 (4) develop a comprehensive long-range, intermodal trans-
3 portation plan for the state;

4 (5) study alternatives to existing modes of transportation i
5 urban areas and develop plans to improve urban transportation;

6 (6) cooperate with and enter into agreements with federal,
7 state and local government agencies and private organizations and
8 persons in exercising its powers and duties;

9 (7) engage in experimental projects relating to available o
10 future modes of transportation, and any means of improving existing
11 transportation facilities and service;

12 (8) exercise the power of eminent domain; and

13 (9) adopt regulations under the Administrative Procedure Act
14 (AS 44.62) to implement, interpret, or make more specific its powers a
15 duties.

16 Sec. 44.42.030. DUTIES. The department shall:

17 (1) maintain and operate state transportation facilities,
18 including all state highways, ferry vessels and facilities, docks,
19 breakwaters, airports and aviation facilities;

20 (2) study alternative means of transportation in the state,
21 considering the economic, social and environmental impacts of each
22 alternative; and

23 (3) coordinate and develop state and regional transportatio
24 systems, considering deletions, additions and the absence of alteratic

25 Sec. 44.42.040. DEPARTMENTAL ORGANIZATION. The commissioner
26 may, with the approval of the governor, organize the department into
27 those divisions that can most efficiently perform the functions of the
28 department.

29 Sec. 44.42.050. STATE TRANSPORTATION PLAN. (a) The commissioner

1 shall develop and keep current by periodic revision a comprehensive
2 intermodal long-range transportation plan for the state. The state
3 plan shall consider means and costs of improving existing modes and
4 facilities, state subsidies, and the costs and benefits of new transpor-
5 tation modes and facilities.

6 (b) In developing and revising the plan, the commissioner shall
7 seek public review and evaluation by any reasonable means and may:

8 (1) consult and cooperate with officials and representatives
9 of the federal government, other governments, interstate commissions
10 and authorities, local agencies and authorities, interested corpora-
11 tions and other organizations concerning problems affecting trans-
12 portation in the state; and

13 (2) request and receive from an agency or other unit of state
14 government or of a political subdivision of it, or from a public author-
15 ity, the assistance and data that may be necessary to enable the com-
16 missioner to carry out his responsibilities under this section.

17 (c) Copies of the plan, as revised, shall be kept on file as a
18 public document in the office of the commissioner and at each regional
19 or district office of the department.

20 Sec. 44.42.050. PUBLIC HEARINGS. (a) When a major new state
21 transportation facility or a significant extension or alteration of an
22 existing system or facility is proposed, the department shall give
23 notice of the proposal and of the opportunity to request a public
24 hearing to the governing body of any affected municipality and residents
25 of each affected community. The purpose of this notice is to provide
26 information to the governing body and those residents and provide an
27 opportunity for informed public review of a proposal from the earliest
28 time practicable.

29 (b) Before a final decision is made regarding a proposal, the

1 department shall give a second notice and opportunity for a public
2 hearing.

3 (c) In giving notice under this section, the notice shall describe
4 the project, invite written comments regarding the proposal, inform
5 that all current and relevant information regarding the proposal will
6 be made available in at least one designated location within the
7 affected community, and inform what basic information regarding the
8 proposal will be provided upon the request of any person. The notice
9 shall also inform that a public hearing will be held upon the written
10 request of the governing body of an affected municipality or of at
11 least 20 interested residents of the affected community.

12 (d) If the governing body of an affected municipality requests a
13 hearing, the hearing shall take place before that governing body.
14 Otherwise the public hearing may be held by the department at any con-
15 venient location. If a public hearing is held, the deadline for
16 written comment may be not earlier than 30 days following the hearing.

17 (e) At a public hearing under (a) of this section, the department
18 shall describe the proposal, identify the essential considerations in
19 favor of it, and receive comments and answer questions from any inter-
20 ested person. In addition, at a hearing under (b) of this section,
21 the department shall present its recommendations regarding the proposal
22 its costs and benefits, its environmental and social effects, and the
23 alternatives which have been considered including the alternative of
24 not constructing a facility.

25 (f) Within 90 days following a hearing under (b) of this section,
26 the department shall prepare and mail to the governing body of an
27 affected municipality and to each known interested person a report
28 which summarizes the oral testimony and written comments received and
29 which informs whether and to what extent the proposal has been modified

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as a result of public comments.

(g) This section does not apply to improvements or modifications to existing facilities which do not significantly affect the environment nor to actions and repairs which may be necessary to meet a disaster or emergency which threatens human lives.

(h) For purposes of this section, "affected community" means a municipality or an unincorporated village of 25 or more persons which is directly served by an existing facility, or where an existing facility is actually located or in which a proposed facility would actually be located, or which would be directly served by a proposed facility.

(i) The commissioner may adopt regulations under the Administrative Procedure Act (AS 44.62) to implement this section.

Sec. 44.42.070. GRANTS TO THE DEPARTMENT. The commissioner may apply for and accept, on behalf of the state, grants from the federal government or an agency of it or from another state, a foundation, corporation, association or individual, for any of the functions or purposes of the department, and may expend the money received under this section for those functions or purposes.

Sec. 44.42.080. LIMITATION ON TRANSPORTATION FACILITIES. (a) The department shall consult with the appropriate officials of other departments regarding environmental risks and economic and social considerations that may arise by reason of the location, design, construction or reconstruction of a transportation facility.

(b) No highway, transit line, highway interchange, airport or other transportation corridor or facility, may be built or expanded in such a way as to use land from a recreation area, a wildlife or waterfowl refuge, an historic site, state forest land, a wetland, game land, a wilderness area, a public park or a critical habitat area unless (1)

1 there is no feasible and prudent alternative to the use of that land,
2 and (2) the corridor or facility is planned and constructed so as to
3 minimize harm to the land.

4 * Sec. 3. AS 02.10.080 is amended to read:

5 Sec. 02.10.080. DEPARTMENT DEFINED. As used in this chapter,
6 "department" means the state Department of Transportation [PUBLIC
7 WORKS].

8 * Sec. 4. AS 02.15.205 is amended to read:

9 Sec. 02.15.205. APPROVAL REQUIRED FOR AIRPORT CONSTRUCTION. (a)
10 No person may construct, reconstruct, relocate, or extend an airport,
11 airstrip, or private air facility [WITHIN TWO MILES OF A FEDERAL-AID
12 HIGHWAY OR PROPOSED FEDERAL-AID HIGHWAY] without first obtaining the
13 written approval of the commissioner of transportation [PUBLIC WORKS],
14 as provided by regulation.

15 (b) The commissioner of transportation [PUBLIC WORKS] shall not
16 approve the construction, reconstruction, relocation, or extension of a
17 airport, airstrip, or private air facility if the construction would
18 constitute a hazard to the traveling public or if the construction would
19 otherwise not be in the public interest.

20 (c) The commissioner of transportation [PUBLIC WORKS] shall pro-
21 mulgate [RULES AND] regulations, to accomplish [EFFECTUATE] the purposes
22 of this section, which are consistent with standards established by
23 participating federal agencies.

24 * Sec. 5. AS 02.15.260(8) is amended to read:

25 (8) "commissioner" means the commissioner of the Department
26 of Transportation [PUBLIC WORKS] of the state;

27 * Sec. 6. AS 02.15.260(9) is amended to read:

28 (9) "department" means the Department of Transportation
29 [PUBLIC WORKS];

1 * Sec. 7. AS 02.20.070 is amended to read:

2 Sec. 02.20.070. DEPARTMENT DEFINED. In this chapter "department"
3 means the Department of Transportation [PUBLIC WORKS].

4 * Sec. 8. AS 02.25.110(4) is amended to read:

5 (4) "department" means the Department of Transportation
6 [PUBLIC WORKS] of this state;

7 * Sec. 9. AS 02.35.150 is amended to read:

8 Sec. 02.35.150. "DEPARTMENT" AND "COMMISSIONER" DEFINED. In this
9 chapter, "department" means the state Department of Transportation
10 [PUBLIC WORKS]; "commissioner" means the commissioner of transportation
11 [PUBLIC WORKS].

12 * Sec. 10. AS 19.05.130(1) is amended to read:

13 (1) "commissioner" means the commissioner of transportation
14 [HIGHWAYS];

15 * Sec. 11. AS 19.05.130(5) is amended to read:

16 (5) "department" means the Department of Transportation
17 [HIGHWAYS];

18 * Sec. 12. AS 19.10 is amended by adding a new section to read:

19 Sec. 19.10.270. DEFINITIONS. In this chapter, "department"
20 means the Department of Transportation.

21 * Sec. 13. AS 19.17.010 is amended to read:

22 Sec. 19.17.010. POSTING OF LAW. The commissioner of transportati
23 [HIGHWAYS] shall place a sign near the state boundary at each primary
24 and secondary highway which informs the public of the prohibition
25 against, and penalty for, highway littering and may place similar
26 signs at other locations in the state when considered necessary.

27 * Sec. 14. AS 19.22.030(2) is amended to read:

28 (2) "department" means the Department of Transportation
29 [HIGHWAYS].

1 # Sec. 15. AS 19.25.160 is amended to read:

2 Sec. 19.25.160. DEFINITIONS. In secs. 80 - 180 of this chapter

3 (1) "outdoor advertising" includes any outdoor sign, display
4 or device used to advertise, attract attention or inform and which is
5 visible to a person on the main-traveled way of a highway of the
6 interstate, primary, or secondary systems in this state, whether by
7 printing, writing, painting, picture, light, drawing, or whether by
8 the use of figures or objects, or a combination of these, or any other
9 thing designed, intended or used to advertise, inform or attract
10 attention;

11 (2) "interstate system" means that portion of the National
12 System of Interstate and Defense Highways located in this state, as
13 officially designated, or as may hereafter be so designated, by the
14 commissioner of transportation [HIGHWAYS], and approved by the secretar,
15 of transportation, (or by the secretary of commerce before the effectiv
16 date of the transfer of functions under Public Law 89-670 [80 Stat.
17 931]), under the provisions of Title 23, United States Code, "Highways"

18 (3) "primary system" or "secondary system" means that
19 portion of connected main highways, as officially designated, or as
20 may hereafter be so designated, by the commissioner of transportation
21 [HIGHWAYS], and approved by the secretary of transportation (or by the
22 secretary of commerce before the effective date of the transfer of
23 functions under Public Law 89-670 [80 Stat. 931.]), under the provisions
24 of Title 23, United States Code, "Highways";

25 (4) "department" means the Department of Transportation
26 [HIGHWAYS].

27 # Sec. 16. AS 19.27.110(4) is amended to read:

28 (4) "interstate system" means that portion of the National
29 System of Interstate and Defense Highways located in this state, as

1 officially designated, or as may hereafter be so designated, by the
2 commissioner of transportation [HIGHWAYS], and approved by the secretary
3 of transportation (or by the secretary of commerce before the effective
4 date of the transfer of functions under Public Law 89-670 [80 Stat.
5 931]), under the provisions of Title 23, United States Code, "Highways";

6 # Sec. 17. AS 19.27.110(5) is amended to read:

7 (5) "primary system" or "secondary system" means that
8 portion of connected main highways, as officially designated, or as
9 may hereafter be so designated, by the commissioner of transportation
10 [HIGHWAYS], and approved by the secretary of transportation (or by the
11 secretary of commerce before the effective date of the transfer of
12 functions under Public Law 89-670 [80 Stat. 931]), under the provisions
13 of Title 23, United States Code, "Highways";

14 # Sec. 18. AS 19.27.110(6) is amended to read:

15 (6) "department" means the Department of Transportation
16 [HIGHWAYS].

17 # Sec. 19. AS 19.30.030 is amended to read:

18 Sec. 19.30.030. COMMISSIONER TO APPROVE APPLICATION. (a) The
19 commissioner of transportation [NATURAL RESOURCES] may approve appli-
20 cations for construction of developmental access roads under secs.
21 20 - 51 of this chapter.

22 (b) A request for construction assistance shall be submitted to
23 the commissioner of transportation [NATURAL RESOURCES] by the resource
24 developer, setting out the scope of the development and the resources
25 to be developed.

26 (c) The commissioner of transportation [NATURAL RESOURCES] shall
27 review the application and, if found feasible and participating funds
28 are available, may enter into a contract in which the state will
29 participate with the applicant in the cost of construction of the

1 road, up to \$50,000 or up to 50 per cent of the cost, whichever is
2 lower; however, the applicant shall pay for all right-of-way acquisition.

3 # Sec. 20. AS 19.30.040(a) is amended to read:

4 (a) Upon approval of an application and agreement as to state
5 participation, the applicant resource developer shall submit to the
6 commissioner of transportation [NATURAL RESOURCES] road plans and
7 specifications for the standard of construction he believes to be
8 necessary to develop the mineral resource and protect the fish and
9 game resources that may be affected by the road construction. [PLANS
10 AND SPECIFICATIONS SUBMITTED BY EACH APPLICANT SHALL BE FORWARDED BY
11 THE COMMISSIONER OF NATURAL RESOURCES TO THE COMMISSIONER OF HIGHWAYS
12 AND THE COMMISSIONER OF FISH AND GAME AND UPON APPROVAL BY THEM, THE
13 APPLICANT MAY PROCEED WITH CONSTRUCTION.]

14 # Sec. 21. AS 19.30.040(b) is amended to read:

15 (b) The applicant will be allowed credit for the use of his own
16 men and equipment or those of his contractor as his share of cost
17 participation. The applicant must submit documentation satisfactory
18 to the commissioner of transportation [HIGHWAYS] to support his parti-
19 cipation for this credit.

20 # Sec. 22. AS 19.30.045 is amended to read:

21 Sec. 19.30.045. CANADIAN MINERALS. The state may elect, at the
22 [JOINT] discretion of the commissioner [COMMISSIONERS] of transportation
23 [HIGHWAYS AND NATURAL RESOURCES], to authorize participation in a
24 similar manner, to that authorized in secs. 20 - 40 of this chapter,
25 in construction and maintenance of developmental access roads to the
26 Alaskan border for the development of mineral resources which are in
27 adjacent Canadian lands if such access roads are the most feasible way
28 of developing those mineral resources, and if it is considered by the
29 commissioner [COMMISSIONERS] to be in the interest of Alaska to con-

1 struct the roads; however, the state may participate up to \$50,000, or
2 up to one-third of the cost of construction and of the maintenance of
3 these roads in Alaska, whichever is lower.

4 * Sec. 23. AS 19.30.051 is amended to read:

5 Sec. 19.30.051. REGULATIONS. The commissioner of transportation
6 [NATURAL RESOURCES AND THE COMMISSIONER OF HIGHWAYS] shall promulgate
7 [RULES AND] regulations to effectuate the purposes of secs. 20 - 51 of
8 this chapter.

9 * Sec. 24. AS 19.30.070 is amended to read:

10 Sec. 19.30.070. CONTRACTS FOR CONSTRUCTION OF ROADS. The
11 commissioner of transportation [DIRECTOR OF THE DIVISION OF LANDS] may
12 contract with private persons for the construction of roads to and on
13 state lands programmed for surface disposal which are not more than
14 six miles from existing roads or highways.

15 * Sec. 25. AS 19.30.080 is amended to read:

16 Sec. 19.30.080. CONSTRUCTION STANDARDS AND MAINTENANCE. Access
17 roads constructed under secs. 60 - 100 of this chapter shall be of low
18 standard, not necessarily suitable for all-weather use. The state is
19 not under obligation to maintain these roads. Right-of-way width
20 shall be determined by the [DIVISION OF LANDS AND THE] Department of
21 Transportation [HIGHWAYS] if constructed outside local government
22 units which have zoning ordinances. If these roads are constructed
23 within the boundaries of local government units which have zoning
24 ordinances, the width shall conform to subdivision control ordinances
25 of the local government units. Contracts for the work shall be awarded
26 to the lowest responsible bidder qualified to contract with the state.

27 * Sec. 26. AS 19.30.100 is amended to read:

28 Sec. 19.30.100. COMMISSIONER [OF NATURAL RESOURCES] MAY ADOPT
29 REGULATIONS. The commissioner of transportation [NATURAL RESOURCES]

1 may adopt [RULES AND] regulations necessary to carry out the purposes
2 of secs. 60 - 100 of this chapter.

3 # Sec. 27. AS 19.30.151(a) is amended to read:

4 (a) Upon application by a local government, local service roads
5 and trails constructed under the provisions of secs. 111 - 241 of this
6 chapter and located within the jurisdictional boundaries of a local
7 government, as defined in sec. 241(3) of this chapter, may be trans-
8 ferred to that local government upon approval by the Department of
9 Transportation [HIGHWAYS] and after a vote of the people in the area.
10 A local government which has assumed road powers before May 20, 1971
11 may not be required to hold an election as provided by this section.

12 # Sec. 28. AS 19.30.241 is amended by adding new paragraphs to read:

13 (7) "commissioner" means the commissioner of transportation;

14 (8) "department" means the Department of Transportation.

15 # Sec. 29. AS 19.40.060(2) is amended to read:

16 (2) certification by the commissioner of the Department of
17 Transportation [HIGHWAYS] that the road design and construction methods
18 will cause minimal landscape defacement or environmental degradation
19 by erosion or waste disposal;

20 # Sec. 30. AS 19.40.080(1) is amended to read:

21 (1) "department" means the Department of Transportation
22 [HIGHWAYS];

23 # Sec. 31. AS 19.60.070(1) is amended to read:

24 (1) "department" means the Department of Transportation
25 [PUBLIC WORKS];

26 # Sec. 32. AS 28.01.010(c) is amended to read:

27 (c) A copy of all traffic ordinances enacted by a municipality
28 shall be forwarded to the commissioners [COMMISSIONER] of public
29 safety and transportation.

1 * Sec. 33. AS 28.01.010(d) is amended to read:

2 (d) A municipality shall erect necessary official traffic control
3 devices on streets and highways within its jurisdiction which as far
4 as practicable conform to the current edition of the Alaska Traffic
5 Manual prepared by the Department of Transportation [HIGHWAYS].

6 * Sec. 34. AS 28.05.010 is amended to read:

7 Sec. 28.05.010. POWERS AND DUTIES OF COMMISSIONER OF TRANS-
8 PORTATION [HIGHWAYS]. The commissioner of transportation [HIGHWAYS]
9 has the following powers and duties:

10 (1) to adopt and designate a uniform standard for the
11 manufacture, display, erection, and location of all signs, signals,
12 signboards, guideposts, and other traffic devices necessary to the
13 safe and orderly guidance of traffic;

14 (2) to erect and maintain upon the public highways such
15 signs and other devices he considers necessary;

16 (3) to designate main-traveled roads and highways as arterial
17 highways as appears to him necessary;

18 (4) to order a public road or highway, or portion of it,
19 closed entirely or closed as to certain classes of vehicles when for
20 any reason the use or continued use of it would cause damage or be
21 dangerous to traffic, or when it is being constructed, altered, re-
22 paired, or maintained in such a manner as to require restriction of
23 traffic; whenever practicable, reasonable notice of an order closing
24 or restricting a road or highway shall be given to the traveling
25 public before the order becomes effective.

26 * Sec. 35. AS 28.05.020 is amended to read:

27 Sec. 28.05.020. AUTHORITY OF COMMISSIONER OF TRANSPORTATION
28 [HIGHWAYS] TO ADOPT REGULATIONS. The commissioner of transportation
29 [HIGHWAYS] may adopt [RULES AND] regulations