

Leg. Finance - House & Senate Finance Comte Files (1975-76) 347

CSHB 63 (3/27/67) cont. SCSCSHB 63

1 federal law or regulations, which establish standards for marine
2 communications in the state.

3 * Sec. 49. AS 30.15.010 is amended to read:

4 Sec. 30.15.010. STATE GRANTS FOR PORT FACILITIES CONSTRUCTION.
5 To the extent funds are appropriated by the legislature, or from the
6 proceeds from the sale of bonds, the state may make grants to munici-
7 palities to finance a portion of the cost of constructing local,
8 regional or state port facilities. The state shall participate only
9 in those projects approved by the governor on recommendation of the
10 commissioner of transportation and the commissioner of public works.

11 * Sec. 50. AS 39.25.120 is amended by adding a new paragraph to read:

12 (9) regional transportation directors of the Department of
13 Transportation.

14 * Sec. 51. AS 41.20.050 is amended to read:

15 Sec. 41.20.050. SELECTION OF SITES. The Department of Transpor-
16 tation [PUBLIC WORKS] and the Department of Natural Resources, jointly,
17 shall select sites of ten acres or less for their historic or scenic
18 value, or for recreation beaches along waterways, roadside rests for
19 travelers resting, camping, or parking, and determine what facilities
20 are necessary or desirable at these sites. Selection of the sites for
21 roadside rests and recreation beaches shall be based upon the flow of
22 traffic and distances to and between facilities otherwise provided.
23 Insofar as possible, sites shall be located on, or adjacent to, highway
24 rights-of-way and small boat waterways. The Department of Natural
25 Resources may acquire the sites jointly selected by grant, gift, pur-
26 chase, lease, dedication or prescription and hold them in the name of
27 the state.

28 * Sec. 52. AS 41.20.060 is amended to read:

29 Sec. 41.20.060. CONSTRUCTION AND MAINTENANCE OF FACILITIES. The

1 Department of Public Works may construct and the Department of Natural
2 Resources may maintain facilities at scenic sites, recreation beaches
3 or roadside rests as are determined to be necessary and desirable.
4 Facilities may include, but are not limited to, access roads, camp
5 facilities, including picnic tables, fire places, and toilets, camping
6 areas or other facilities that are considered necessary and desirable
7 for the convenience and benefit of travelers and small boat operators.

8 * Sec. 53. AS 41.20.080 is amended to read:

9 Sec. 41.20.080. SELECTION. The Department of Natural Resources,
10 in consultation with the Departments of Fish and Game and Transportation
11 [PUBLIC WORKS], shall designate a system of wilderness trails and
12 campsites throughout the state. Significant in the selection shall be
13 the scenic, historic, natural, or cultural qualities of the areas
14 through which the trails may pass. The Department of Natural Resources
15 may acquire the trail sites jointly selected by grant, gift, purchase,
16 lease, dedication or prescription and hold them in the name of the
17 state.

18 * Sec. 54. AS 41.20.110(a) is amended to read:

19 (a) The Department of Public Works may construct and the Depart-
20 ment of Natural Resources may maintain campsites throughout the wilderness
21 trails system. Campsites may include any type of shelter or camp
22 facility considered necessary and desirable for the benefit and
23 convenience of travelers.

24 * Sec. 55. AS 44.15.010(15) is amended to read:

25 (15) Department of Transportation [HIGHWAYS].

26 * Sec. 56. AS 44.19.360 is amended to read:

27 Sec. 44.19.360. COMPOSITION. The State Geographic Board consists
28 of the commissioner [DIRECTOR] of the Department of Community and
29 Regional Affairs, the curator of the state museum, the state historical

1 librarian, the commissioner of the Department of Transportation [HIGH-
2 WAYS], the commissioner of the Department of Natural Resources, the
3 commissioner of the Department of Education, the director of the divi-
4 sion of lands, and one other person appointed by the governor.

5 * Sec. 57. AS 44.19.820(3) is amended to read:

6 (3) the commissioner of transportation [HIGHWAYS] or his
7 representative;

8 * Sec. 58. AS 44.21.020 is amended by adding a new paragraph to read:

9 (12) maintain and operate state buildings.

10 * Sec. 59. AS 44.43.020 is repealed and re-enacted to read:

11 Sec. 44.43.020. GENERAL POWERS AND DUTIES OF DEPARTMENT. The
12 Department of Public Works shall design and construct all state build-
13 ings, highways, ferries, airports, ports, harbors, railroads, pipelines,
14 and similar facilities.

15 * Sec. 60. AS 44.57.010(a) is amended to read:

16 (a) There is created the Alaska Toll Bridge Authority composed
17 of the governor, the commissioner of the Department of Transportation
18 [HIGHWAYS], the commissioner of the Department of Administration, the
19 commissioner of the Department of Public Works, and the commissioner
20 of the Department of Revenue. The Alaska Toll Bridge Authority is a
21 public corporation of the state. The authority is an instrumentality
22 of the state within the Department of Transportation [HIGHWAYS], but
23 has a legal existence independent of and separate from the state. If
24 the office of a commissioner is discontinued or abolished by law, the
25 governor shall appoint any person or officer of the state to fill the
26 vacancy resulting from the abolition or discontinuance of the office.

27 * Sec. 62. AS 44.57.140 is amended to read:

28 Sec. 44.57.140. CONSTRUCTION OF TOLL BRIDGES. Whenever in the
29 judgment of the Department of Transportation [HIGHWAYS] it is considered

1 in the best interest of the public highways of the state that a new
2 toll bridge or bridges be constructed upon a public highway and across
3 a stream, body of water, gulch, navigable water, swamp or other topo-
4 graphical formation and operated by the state, the Department of
5 Transportation [HIGHWAYS] shall submit its recommendation to that
6 effect to the Alaska Toll Bridge Authority together with preliminary
7 estimates of the cost of construction and an estimate of the amount
8 necessary to be raised for that purpose by the issuance of revenue
9 bonds, and a statement of the probable amount of money, property,
10 materials or labor to be contributed from other sources in aid of the
11 construction. If the Alaska Toll Bridge Authority concurs in the
12 recommendation of the Department of Transportation [HIGHWAYS] or on
13 its own motion determines to construct a toll bridge or toll bridges,
14 the Alaska Toll Bridge Authority shall adopt a resolution declaring
15 that public interest and necessity require the construction of the
16 toll bridge or bridges, and may thereafter issue bonds therefor as
17 provided herein.

18 * Sec. 62. AS 44.57.150 is amended to read:

19 Sec. 44.57.150. AUTHORITY TO ACQUIRE RIGHT OF WAY IN CONSTRUCTING
20 A TOLL BRIDGE. Whenever the Alaska Toll Bridge Authority authorizes
21 the construction of a toll bridge, the Department of Transportation
22 [HIGHWAYS] is empowered to secure right of way therefor and for
23 approaches thereto by gift or purchase, or by condemnation in the
24 manner provided by law for the taking of private property for public
25 highway purposes.

26 * Sec. 63. AS 44.57.170(b) is amended to read:

27 (b) When it becomes necessary for the Department of Transportation
28 [HIGHWAYS] to condemn real estate to be used in connection with a toll
29 bridge, the attorney general of the state shall represent the depart-

1 ment. In eminent domain proceedings to acquire property for any of
2 the purposes of this chapter, a toll bridge, real property, personal
3 property, franchises, rights, easements or other property or privileges
4 appurtenant thereto appropriated or dedicated to a public use or
5 purpose by a person, firm., private, public or municipal corporation,
6 borough, city, district or political subdivision of the state, may be
7 condemned and taken, and the acquisition and use as herein provided
8 for the same public use or purpose to which the property has been so
9 appropriated, dedicated, or for any other public use or purpose, shall
10 be considered a superior and permanent right and necessity, and a more
11 necessary use and purpose than the public use or purpose to which the
12 property has already been appropriated or dedicated. It is not
13 necessary in an eminent domain proceeding under this chapter to plead
14 or prove any acts or proceedings preliminary or prior to the adoption
15 of the resolution hereinbefore referred to describing the property
16 sought to be taken and directing the proceedings.

17 * Sec. 64. AS 44.65.050(c) is amended to read:

18 (c) The Department of Natural Resources and the Department of
19 Transportation [PUBLIC WORKS] may enter into agreements under this
20 chapter for the acquisition of rights of way, construction, reconstruc-
21 tion, maintenance, repair or alteration of access roads serving public
22 airports.

23 * Sec. 65. The commissioner of transportation shall replace the commis-
24 sioner of highways on all boards and commissions not expressly dealt with
25 in this Act.

26 * Sec. 66. All litigation, hearings, investigations and other proceedings
27 pending under a law amended or repealed by this Act, or in connection with
28 functions transferred by this Act, continue in effect and may be continued
29 and completed notwithstanding a transfer or amendment or repeal provided

1 for in this Act. Certificates, orders, and regulations issued or adopted
2 under authority of a law amended or repealed by this Act remain in effect
3 for the term issued, until revoked, vacated, or otherwise modified under
4 the provisions of this Act. All contracts, rights, liabilities, and obliga-
5 tions created by or under a law amended or repealed by this Act, and in
6 effect on the effective date of this Act, remain in effect notwithstanding
7 the enactment of this Act. Records, equipment, and other property of
8 agencies of the state whose functions are transferred under this Act shall
9 be transferred commensurate with the provisions of this Act.

10 * Sec. 67. All other references to the Department of Highways and to
11 the commissioner of highways in the Alaska Statutes not expressly amended
12 by or referred to in this Act shall be read as the Department of Transporta-
13 tion and the commissioner of transportation, respectively, in order to
14 implement this Act. The revisor of statutes shall prepare instructions for
15 the publisher of the Alaska Statutes so that the transfers of and changes
16 in functions made by this Act are reflected throughout the text of the
17 Alaska Statutes.

18 * Sec. 68. During Fiscal Year 1977, all appropriation items made for
19 that fiscal year and prior years for the Department of Highways and the
20 Department of Public Works may, upon approval of the governor, be appro-
21 priately transferred to implement the purposes of this Act.

22 * Sec. 69. AS 35.10.200(3); AS 44.19.700 -- 44.19.714; AS 44.33.020(9);
23 and AS 44.44 are repealed.

24 * Sec. 70. This Act takes effect July 1, 1976.
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Original sponsor: Bowman, Swanson
and Kelley

Offered: 4/23/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 63 (Finance) am

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 opera-
12 tion of integrated, intermodal transportation systems. The purpose of this
13 department is to evaluate, plan, design, construct, operate and maintain 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 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) engage in experimental projects relating to available or
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 and
15 duties.

16 Sec. 44.42.030. DUTIES. The department shall:

17 (1) plan, construct, maintain and operate state transportation
18 facilities, including all state highways, marine transportation ships
19 and facilities, docks, breakwaters, airports and navigation facilities
20 except design and construction of buildings which is the responsibility
21 of the Department of Public Works;

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

25 (3) coordinate and develop state and regional transportation
26 systems, considering deletions, additions and the absence of alterations
27 and

28 (4) develop facility program plans for transportation facili-
29 ties required to implement these duties including but not limited to (A)

1 first and life cycle cost budgets; (B) functional performance criteria;
2 and (c) schedules for completion.

3 Sec. 44.42.040. DEPARTMENTAL ORGANIZATION. The commissioner may,
4 with the approval of the governor, organize the department into those
5 divisions that can most efficiently perform the functions of the depart-
6 ment.

7 Sec 44.42.050. STATE TRANSPORTATION PLAN. (a) The commissioner
8 shall develop and keep current by periodic revision, at intervals not
9 less frequent than five years, a comprehensive intermodal long-range
10 transportation plan for the state. The state plan shall consider means
11 and costs of improving existing modes and facilities, state subsidies,
12 and the costs and benefits of new transportation modes and facilities.

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

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

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

24 (c) The commission shall submit copies of proposed policies and
25 plans annually to the legislature within 10 days after the legislature
26 convenes. The legislature may approve, reject or modify the policies
27 and plans by concurrent resolution. If the legislature fails to act
28 during the legislative session the policies and plans are approved.

29 (d) Copies of the plan, as revised, shall be kept on file as a

1 public document in the office of the commissioner and at each regional
2 or district office of the department.

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

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

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

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

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

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

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

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

19 (h) For purposes of this section,

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

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

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

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

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

12 * Sec. 3. (a) The Department of Transportation is vested with the duties
13 and powers formerly held by the Department of Public Works relating to
14 planning, construction, maintenance and operation of transportation facili-
15 ties, including state ferries, airports and water and harbor facilities
16 except for design and construction of buildings and appurtenant structures.

17 (b) The Department of Transportation is vested with the duties and
18 powers formerly held by the Department of Highways relating to planning,
19 construction, maintenance and operation of state transportation facilities
20 including state highways, roads, bridges, traffic signs and signals, the
21 supervision and maintenance of state automotive and mechanical equipment, the
22 control of outdoor advertising visible from state highways and all other
23 duties and powers of the Department of Highways.

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

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

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

FINANCE COMMITTEE SUBSTITUTE FOR SENATE CS FOR CS FOR HOUSE BILL 63

1. Page 4, delete (d), lines 27, 28, and 29.
2. Page 8, delete (h), lines 9 - 18 and replace with the following:

(h) Affected communities may exclude themselves, withdraw from, or reject the proposal providing that, within sixty days after the receipt of the documents described in (g) of this section, a majority of the affected communities which will be directly served by the proposal, vote to exclude themselves, withdraw from, or reject the proposed new transportation system or facility or the extension or alteration of an existing transportation facility by: a resolution, adopted by a majority of all the members of the governing body of each community, submitting the exclusion from, withdrawal from, or rejection of the proposal to the electorate of each affected community at the next general election, which is adopted by a majority of qualified voters voting on the question.
3. Page 21, delete (3), lines 16 - 22.

Page 21, delete Sec. 42, lines 24 - 29.

Page 22, delete lines 1.

Page 21, add new Sec. 42 as follows:

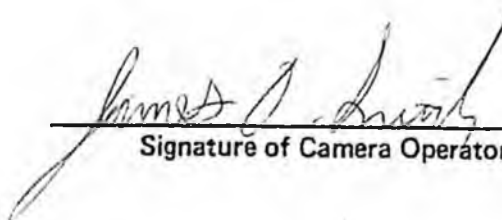
(7) the operation of motor vehicle weighing stations and the enforcement of size, weight, and load limitations, including the issuance or withholding of special permits and prescribing fees for special permits, based upon directives of the Department of Transportation for limiting or prescribing conditions of operation of vehicles when necessary to assure against undue damage to the road foundations, surfaces, or structures.
4. Page 26, lines 5 - 7, delete all materials and renumber remaining bill sections. (See next amendment for repeal of Alaska Safety Council (AS 28 interim committee and Lt. Governor agree that 'council' is non-existent and that virtually all its duties are handled by Public Safety's traffic bureau.)
5. Page 29, lines 22 - 23, add AS 19.10.060(2) and AS 44.19.800 - 44.19.850.
6. Page 29, line 24, change effective date to November 1, 1976.




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

Dr.

"We dream of systems so perfect that man need never be good." (T. S. Eliot)

We are a nation of problem solvers and we rely heavily on our institutions to assist in problem solving. Quite often we legislate organizations into being, or legislate theoretical solutions into being, without an adequate understanding of the forces at work in our institutions which tend to stymie our intent and stifle creative work. Legislating the solution to one problem quite often creates another,¹ because we fail to analyze the basic self-protective instincts of people and of the institutional hierarchies to which they owe their personal advancement.

It is, therefore, critical that we understand the nature of organized bureaucracies and the forces which motivate institutional organizations if we are to rely on them to further the public interest.

The ability of an institution, particularly a governmental organization, to perform effectively depends on three prime factors:

1. Policy Formulation - The ability of policy-makers (Governor, Commissioners, Legislators) to debate priorities and provide actual rather than superficial policy direction.
2. Organizational Structure - An organizational structure which provides the necessary basis for policy formulation and which provides a vehicle for the execution of public policy.
3. Motivation - The quality of the people working in the bureaucracy and their motivation towards effective performance.

POLICY FORMULATION

Alaska's strong gubernatorial system provides that the Governor and his appointed officials will formulate policies which the legislature will debate. The legislature will concur with, modify, reject, or supplant such policies and provide the funding necessary for policy implementation.

In a developing state such as Alaska, policy execution often requires the acquisition of facilities, which themselves become a visible demonstration of the political process response to constituent need. Often, the Governor and the legislature will differ over the need to provide facilities. Governors tend to be judged, both statewide and regionally, on their soundness of fiscal management and the vigor of their leadership in proposing policy. Legislators, elected to serve the interests of individual constituencies, tend to demonstrate responsiveness to their electorates in varying ways.

[1] A case in point is the Merit System, a personnel classification process which governs the qualifications required for employment and the means of advancement of employees. The Merits System was developed to minimize the effects of patronage and corruptions which were rampant in the Federal Civil Service in the late 19th century. The practical effect of that invention was to reward seniority and protect individual employment almost to the exclusion of reward for performance. We now live with the result.

Urban area legislators, representing districts (e.g. Anchorage) which are already provided with basic services (e.g. education, sewerage, communications) tend to be more "issue" oriented, concerned to debate statewide programs and priorities which affect their constituencies. Legislators who represent rural or small populations tend towards programs providing State support for basic services and/or the economies of local areas. It is felt that constituents in such areas respond to those legislators who provide tangible benefits, often monetary and, most visibly, via acquisition of facilities. This political phenomenon, derisively referred to as "pork barrel," is in fact quite often a response to perceived constituent need and will tend to override a legislator's otherwise genuine commitment to programmatic development.

Policy Formulation Supported by a Planning Process:

The ability of elected officials to provide policy direction can be enhanced by a planning process which is designed to accommodate political realities. Historically, however, planners' views have tended to clash with those of politicians because the planning discipline requires a long-range assessment while governors and particularly legislators are necessarily constrained to think in shorter terms. Consequently, those planners who enjoy relative institutional isolation from political oversight may dominate, to the frustration of politicians, while planners whose budgets are accessible to actual, rather than superficial, political scrutiny tend to submit to political direction, often to the frustration of their own perceptions.

It is argued here that a prime function of a planning process is to challenge and reaffirm program goals; then, to identify optional means of achieving these goals with the concomitant development of resource requirements necessary to implement each option. It is not a prime function of a planning process to imprison policy-makers within the personal or philosophical preferences of the planners.

Once the political process has digested, approved, modified, rejected or replaced planning options, it is the further task of the planning process to ensure, whatever the level of expenditure, and whatever the policy decided, that appropriated funds are expended in the most cost-effective fashion.

The planning process will derive its directions both from management, which perceives an impediment to effective program delivery, and from policy-makers elected on the basis of stated goals or directions. In order for the planning tool to be utilized, it is necessary for its recommendations to employ a language comprehensible to its clients, both managers, and the constituency which elects policy-makers.

Since legislators, who hold the purse-strings, must act as the servants of individual constituencies, a planning process which attempts to allocate resources on a rational basis will only achieve that measure of success granted it by a series of self-interested legislative districts, i.e. the planning process must not only speak in a language which the electorate understands, but also demonstrate to the electorate and its representatives the long and short term value of support of the process rather than its subversion.

The Impact of Independent Capital Improvements Program (C.I.P.) Funding on Policy:

When an agency has access to relatively predictable major funding sources which are independent of, and, therefore, insensitive to, the local political structure (e.g. Federal funds), it will tend to take advantage of the short-range political need of its elected overseers rather than submit to a long-range discipline, when such a course will protect its autonomy, staffing levels, and budget, as will be discussed later.

Legislators, and even governors, will tread warily when dealing with such an agency, particularly when their constituents need such amenities as roads and airports. Even though the expenditure of "free" CIP funding has an enormous impact on future operating budgets, politicians rarely fail to provide requested levels of State matching funds for Federally available construction monies because of (a) the political danger inherent in such action, and (b) individual legislator's needs to obtain CIP funds for their own districts.² Since the large Federal appropriations, particularly transportation CIP funding, are provided for construction rather than planning, management or maintenance purposes, the construction of roads and airports will tend to proceed because of political imperatives, independent of the theoretical control of the State's formal political process, or the planning effort supporting that process.

ORGANIZATIONAL STRUCTURE

Nothing inhibits policy formulation and execution so much as a bureaucracy which is insensitive to or ineffective in responding to the theoretical control mandated by the political structure. Theoretically, political and administrative control over Alaska's State departments is achieved by gubernatorial appointment of commissioners who must be confirmed by the legislature. Therefore, the criteria which influence such appointments are of prime importance, for if the appointee is ineffective or unwilling, the organization's effort will tend to be directed primarily toward the self-preservation and self-sustenance of its members. If no effective external pressure exists, the organization will achieve self-satisfactory status depending on:

1. Its insulation from executive, legislative, or public scrutiny.
2. Response to informal political pressure and its ability to satisfy the sources of such pressure.
3. The predictability of its major source or sources of funding.
4. The degree to which users of its services feel, or are in fact depend on the agency's provision of services and its flexibility of internal choice in providing service.³

[2] E.g. Alaska Department of Highways is not required to conform to the State's CIP budget cycle, either with regard to the submission of six-year plans or by the itemization of projects as to location and amount for submission to the Budget Review Committee. Its CIP request constitutes one lump sum. It prepares its own five-year plan, deviation from which is essentially left of its own discretion. Many legislators fear that should they indulge too rigorous a review of the Department's budget request or proposed spending pattern, the consequence might be that their own districts' highway projects would continually be found in the fifth year of successive five-year plans. Such a perception, real or imagined, tends to provide the agency with relative immunity from oversight.

[3] See Footnote [2].

The design of organization structures should reflect the political realities inherent in both the choice of political appointees and the self-protective nature of bureaucracies, particularly in those agencies which require the expenditure of capital improvements funds to accomplish their mission. This consideration is even more critical when the largest component of first cost (procurement price) of capital improvements is derived from funding sources which are relatively insensitive to Alaska's political structure, e.g. Federal Highway Trust Funds and Airport Development Air Program funds. For the decision to build affects not just the disbursement of first cost dollars, but also the commitment of the State Treasury to the costs of maintenance and use of such facilities over their useful lives. Although the technique known as Life Cycle Costing is yet in its formative stages, it is suspected that the following ratio provides a tentative guide: ⁴

	<u>First Cost</u> ⁵	<u>M & O Cost</u> ⁵	<u>Occupancy</u> ⁵ <u>Cost</u>	<u>Total</u>
Institutional Buildings	1	1.2	8	10.2
Hospitals	1	1.5	13.0	15.5
Highways	1	1.0	N.A.	
Ferries	1	3.0	12 ⁶	16

Political and Administrative Control:

Commissioners tend to be appointed based on a commonly shared philosophical attitude, because of political support which the appointees have provided the Governor, or because their technical abilities are seen as a vehicle by which the Governor may execute policy in a field in which he or she feels a special competence and interest. It is not necessarily true that commissioners are appointed primarily because of their managerial background.

The management task, therefore, is commonly left to the permanent civil service. Unfortunately, the merit system, which fills the bulk of senior management positions, rewards longevity of service more often than it recognizes managerial skill. Consequently, theoretical policy formulation is often frustrated in execution, not so

[4] Source: Hanscomb Associates

[5] First Cost = Total Cost of Procurement
M & O Cost = Maintenance, Operations & Minor Repair
Occupancy Cost = Cost of Use, e.g. Salaries & Services to Support the Facilities' Utilization

[6] Includes Crew Salaries & Support

much because the executives are unwilling but because due to lack of training or experience, they are unable to organize the effort required.

This administration is currently burdened with the consequences of a series of senior appointments made largely as a result of political allegiance, by prior administrations. No guarantee exists that similar criteria shall not be followed by future administrations.

The probability exists that we are currently witnessing a peculiar, rather than normal, gubernatorial exercise. The incumbent Commissioner of Highways is extremely planning oriented. In this respect, he differs remarkably from his predecessors and possibly his successors. The incumbent Commissioner of Public Works is likewise somewhat unique in his determination to promote cost-effective government. However, commissioners come and go, and, to the degree that their ideas or personal philosophies clash with the ingrained attitudes of their departments, their legacy may not long survive their inevitable departure. It is, therefore, important that a debate regarding departmental organization not center around natural personal constituencies within the administration, but rather on the degree of control which any commissioner is able to exert on his or her organization and its responsiveness to the politically mandated mission and to the provision and disbursement of funds required to accomplish that mission.

The Consequences of Insulation:

It is possible to illustrate the degree of insulation from political scrutiny attainable by an agency which receives large amounts of Federal CIP funds.

The Alaska Department of Highways, unlike every other State agency, is not required to submit requests for CIP positions to the Division of Budget and Management. The sole approval required is that of the commissioner, except for Grade 20's and above, which must be approved by the Governor's Office. The number of CIP positions available to the Department is currently 852, at a payroll cost of approximately \$16,800,000 per annum (were they all filled), at an average range 18-A.

The Department of Highways, as pointed out earlier, unlike other State agencies, does not submit a six-year CIP plan to the Division of Budget and Management to support its capital improvements requests. It prepares its own five-year plan which has historically become available in January, at the beginning of the legislative session.

Unlike other State agencies, the Department of Highways does not itemize its capital improvements requests for State funds to match Federal receipts. It does itemize a small portion of its total request, i.e., G.O. Bond funds for projects not eligible for Federal aid. The current request is as follows:

1976 G.O. Bond Issue Request to Match Federal Aid =	\$ 62,259,800 ⁷
Anticipated Federal Aid =	<u>406,535,300</u>
Total	\$468,795,100

[7] It is probably that these funds will be approved.

These funds will be dispersed essentially at the discretion of the Commissioner of Highways.

Other 1976 G.O. Bond issue requests, which are itemized, equal \$8,128,000.

The total proposed CIP expenditure is \$476,923,100 (over 50% of the total CIP budget), of which only 1.7% is itemized for review by the Budget Review Committee.

It is apparent that the current practices described, provide for less than rigorous review by elected and appointed officials, whose theoretical task it is to establish and monitor policy formulation and execution. It is possible that the current administration may be able to change some of these practices. It is also possible that the same forces which produced this internally comfortable state of affairs may cause this heavily federally funded agency to revert to current practice under future administrations.

Division of Aviation, Department of Public Works, while not as autonomous as Department of Highways, exhibits similar symptoms in its construction program which is supported largely by ADAP funds. For instance, it is extremely difficult to determine the historical basis for allocation of Federal receipts to State airport construction projects by analyzing the Division's records.

The University of Alaska's research program may provide similar examples, although not CIP-related.

Agency Response to Informal Pressure:

The ability of an agency to respond to informal political pressure, there providing it with allegiances with individual legislators, can be easily imagined when the vast bulk of its CIP effort is subject to no effective administrative or formal legislative scrutiny. Even were its long-range plan submitted to the responsible State agencies prior to submission to the legislature, such a document is not binding, except upon the will of the incumbent commissioner. He must bear the brunt of pressure from within his agency, from the supporters of the funding source, and from interested Alaskan political lobbies.

The Consequence of Predictability of Funding Sources:

When an agency responsible for planning, design, construction, management, and maintenance has a relatively predictable funding source (ADAP, Highway Trust Fund), the forces within, perhaps unconsciously, will tend to organize the expenditure of such funds to support its staffing pattern, without necessarily indulging in vigorous review to improve its modus operandi. A case in point is Division of Aviation, which currently has sufficient State G.O. Bond authorizations to match perhaps three more years of ADAP allocations.

Aviation's 1972 G.O. Bond issue contained authorization for 31 design projects for trunk and secondary airports, ranging in amounts from \$10,000 to \$30,000. Construction funding for many of these projects was contained in the 1974 G.O. Bond issue. When questioned regarding this procedure, Aviation personnel provided the following responses:

Q. Why does it take two years to design a series of small bush airports?

- A. We only have 47 design staff positions authorized. ⁸
- Q. Since somebody has already decided that these airports shall be designed and constructed, why not obtain pre-planning funds and package these design tasks into discrete groups. Allow the local professional firms six months of real time to perform the design task and put the construction funding on the 1972 G.O. Bond issue, thus saving two years of inflation.
- A. Local design firms don't usually have the capability or the expertise to design bush airports.
- Q. Is that because you don't give them the work?
- A. What we really need is a larger staff to accomplish the work faster.

Why is that not a good answer? --

As a point of interest, it is generally true that when an agency receives a relatively guaranteed Federal income, it is not so subject to lobby pressure from local professional societies through interested legislators, who themselves are dependent to a degree on the agency's allocation of projects and funds. The result tends to be the creation of large staffs of design and construction personnel (CIP positions), currently 852 positions in the Department of Highways and 228 in the Division of Aviation. ⁹ The argument is rarely heard within these agencies that certain kinds of projects may be prosecuted more

[8] Division of Aviation's ratio of design staff to construction contracts awarded is as follows:

CALENDAR YEAR: _____ 1973 _____ 1974 _____ 1975

DOLLAR VOLUME:

NUMBER OF PROJECTS:

By comparison TNH, DOWL, UNWIN & SHEBEN.

NOTE: Division of Buildings, which is not afforded the flexibility provided by regular Federal funding and which has long suffered from lack of sound management, is currently budgeted for two CIP employees who are responsible for the design management of a current program involving \$130,000,000 at 60+ sites around the State. The Division should have five times that staffing level, given the current workload.

[9] It is interesting to note that Division of Aviation and Department of Highways have as their mission the planning for, construction of, and management of two major modes of transportation. The planning function absorbs considerable State funds, while the management and maintenance function is almost entirely State supported. The construction function is very largely supported by the Federal Government. The hierarchies of these are dominated by design and construction engineers, whose existence is largely dependent on Federal, not State, funds.

cost-effectively by a greater use of private consulting firms.

The following example will illustrate the diffidence with which an in-house design bureaucracy tends to respond to external ideas. Recently, Department of Highways commenced preliminary studies on a bridge design in Southeast Alaska. The published construction cost amounted to \$15,000,000. A private consulting engineering firm, acting on its own volition, developed a design which it felt might reduce the cost to approximately \$8,000,000.

The design, developed by two former Department of Highways bridge designers, was forwarded to the Department, probably in the hope of obtaining a design contract. At first the proposal was ignored. Later, because of a personal relationship maintained by a principal of the firm, the design was informally reexamined. Successive criticisms resulted, each answered by the firm. After several weeks, during which time no formal response was received from the Department, the firm ceased its effort.

Another kind of cost inefficiency which results from an exclusive internal design effort results from the need to provide for the salaries of staff members during slack periods. For instance, it is relatively common practice for a design agency not to close its books at the conclusion of construction of a project, in order that employees may be paid through the winter months from any surplus remaining. In the absence of any budgetary or programmatic oversight, such practices are difficult to curtail, indeed they are often almost impossible to detect actuarially.

Given the relative insulation from political oversight enjoyed by agencies such as those described, it is not difficult to understand that there is small force predisposed to check their forward progress toward internal self-satisfaction. Nor is there an inbuilt counterweight to balance their collective view of the priorities and methodologies on which public funds should be expended.

Quality and Motivation of Personnel:

Civil servants are ordinary people. They bear close comparison to employees of large private institutions, e.g. banks, large manufacturers. Probably as a group they lack the aggressiveness of a small private entrepreneur, but their intelligence and competence is high. Middle managers, particularly, constantly reveal a degree of ability which belies the popular prejudice leveled at the "bureaucrat."

They do carry one distinction which separates them from private employees, in that they tend to be subject to different kinds of pressure. Any employee, if he is to carry out his mission, requires instruction and a set of management guidelines. The larger the organization, the further the employee is removed from the policy-maker, the more formal the guidelines, so that policy direction may travel the most direct route to the employee responsible for policy execution.

Procedure manuals exist. For instance, the Procedure Manual for the Department of Public Works contains such sections as "Travel and Per Diem," "Filing Instructions," and "Salary and Personnel Rules." Employees understand the rules which govern their wages and benefits. They understand that an informal code governs their behavior. However, they are rarely given instruction in how to OPERATE. There are few MANAGEMENT guidelines to accompany class specifications, so that an employee may understand the nature of his duties and the performance to be expected in the prosecution of his work. Such guidelines are generally transmitted by word-of-mouth, if at all.

The middle management employee, particularly in the CIP disciplines, sometimes draws the attention of an interested legislator or the representative of a powerful special interest. He may be blessed with a strong supervisor, director or commissioner, or he may not. If he is not, but yet he understands his mission, he may realize that the attention bestowed on him sometimes conflicts with his goal (towards effective performance). If he perceives that his director or commissioner is primarily concerned with the avoidance of conflict, then he realizes that the problem is his to solve. He will generally compromise, or temporise. Should his withdrawal or hesitancy then impair his work product, he will sometimes find the originator of the pressure in the forefront of the critics of his diminished performance. Several such incidents will teach him caution, or lead him to the shelter provided by the nearest available legislation or regulation.

The public, quite often, judges not the cause but the result.

It is the theoretical task of political appointees, commissioners and directors to receive and dispatch political pressure in order that permanent employees may effectively perform assigned duties. If such appointees abrogate such duties, civil servants are left to their own devices. Those who can cope advance. Those who cannot, retreat and retrench. Some leave in despair. For lack of leadership, the employees suffer both personally and publicly, as does their mission.

Most government workers will respond to leadership, clear guidelines, and equitable dealing. In the absence of these climatic conditions, many employees will resort to protective devices, such as self-justifying memoranda.

Most civil servants will exercise their need for self-defense until they observe that their superiors accept the responsibility for the creation of a viable working environment. If such an environment is created, they are as capable of productive work equal to that of employees in the private sector.

The Effect of Organizational Structure on Employee Effort:

The process which implements governmental CIP programs is unique in two major respects:

1. The process should require the use of a wide variety of disciplines from managers to planners, to designers, to contractors and to managers.
2. Delivery of the products requires extensive involvement with the private sector (consultants, contractors, citizen groups).

Bill, this is what you wanted

SECTIONAL ANALYSIS OF CS FOR CS FOR HOUSE BILL 63

Section 1: Self explanatory.

Section 2: AS 44 is amended to include new code sections concerning powers, duties, and organization of the DOT. .010 establishes Office of the Commissioner; .020 makes it mandatory that the Department exercise its responsibility for comprehensive planning of all modes of transportation, including surveying of existing modes and analyses of their present and future value, the development of alternatives for future transportation development, the translation of such alternatives into a statewide master plan, and the delineation of capital works projects with this master plan.

Note: In order to conform with Title 23 of U.S. Code, the Federal DOT requires that one agency in the State be responsible to the Federal Government for the disbursement of Federal Transportation funds.

Federal DOT Counsel therefore suggested that the ^{LEGISLATION} ~~Legislature~~ be designed to provide that the proposed State DOT be given all transportation powers and duties as delineated under Section 44.42.020 with delegation of design and construction to Department of Public Works. The purpose of such delegation is as follows:

- (1) the planning activity should develop options for consideration of elected officials, such that the Governor and Legislature may best represent their constituencies.
- (2) project proposals, which result from the planning process should be tested prior to funding to ensure conformance with program objectives and established policy.
- (3) the building agency should not dominate the planning function, e.g. projects should not be proposed for agency self-serving purposes.
- (4) accountability should be maximized both at the beginning and at the end of the design/construction process.

- (8) requires that DOT and DPW "work cooperatively" to assure design and construction is consistent with plans and with management and operational requirements. Such cooperation will by administrative procedure be clearly delineated. The process by which one agency instructs another and reviews the work of another is vitally important, for it is the process of transfer of responsibility which identifies sources of conflict and resolves misunderstandings. The delivery of a program plan from DOT to Public Works, the latter agency's review to ensure feasibility, and the dialogue resulting from this interaction, provide legislators, the Governor, and the respective commissioners with a clear view of the division of responsibility between agencies and allows for future evaluation of agency performance.

(9) and (2), (3) requires the DOT to perform transportation research. Such activity is of vital significance in a state of vast distances, scattered population and resource centers, and fragile physical environment. Research in transportation modes, design and construction techniques, logistics and cost-effective processes should be vigorously pursued and adequately funded. Alaska is unique in many respects, yet the bulk of our knowledge and methodologies are derived from others outside the context of our unique conditions. In a state of small population, huge distances, and extreme climate, we practice what is preached by those who live in areas of low population, short distances, relatively mild climates, encountering

relatively simple logistics. Most of this adopted knowledge is useful, but much of it is utilized in the absence of any better. The State should help itself to the knowledge to be gleaned from expertise available, in order to best utilize available funds for the solution of unique problems.

(12) requires DPW review of first cost and LCC budgets, the program criteria and the completion schedules developed by DOT.

(4), (5), (10), and (11): Requires the Department to develop long-range transportation plans for the State and regional systems, and requires that the Department analyze alternative means for solving the State's transportation needs.

44.42.030 provides that DPW shall design and construct only those transportation facilities planned by DOT. That is, as a service department the building agency should not be empowered to propose capital expenditures on projects which provide the source for the payroll of the bulk of its employees.

The DOT, which is responsible for the planning and management of transportation facilities should be the agency which proposes the funding of such projects.

44.42.050-060 Transportation Advisory Boards - provides for the regionalization of the management of transportation modes and facilities. Public involvement will occur at the regional level through regional transportation advisory boards whose chairmen form the membership of the Alaska Transportation Advisory Board, which shall review the State transportation plan and recommend policy funding annually to the Commissioner.

44.42.070 State Transportation Plan - requires that the Commissioner develop annually a State Transportation Plan which shall be submitted to the Governor for his review and approval and then submitted to the Legislature. This section also requires that the Commissioner of Transportation shall delineate the proposed capital budget by project for the following two years with his recommended project priorities. The Governor shall review and approve or revise the proposed capital budget and include such funding in the general appropriations act for the review revision and/or approval of the Legislature.

44.42.080 Public Hearings and Surveys - describes the processes by which the public may respond to statewide and regional transportation plans and facility plans. This section also provides that the Department may use other means (e.g. surveys) to obtain public opinion.

44.42.080 (g) - Provides that should a community wish to exclude itself from a transportation system or facility it may do so by a resolution adopted by its governing body or by vote of the electorate of the affected community.

44.42.100 Limitation on Transportation Facilities - requires DOT to consult with other agencies regarding the impact of any proposed projects and protects land previously dedicated by a governmental entity for recreation or other public purpose, unless there is no feasible or prudent alternative use of that land.

Section 3 (page 10) - Section 4 (Page 21) - contain revisions to existing statutes to carry the requirements of Sections 1 and 2.

Section 42. Authority of the Department of Public Safety to adopt regulations. This transfers the operation of motor vehicle weighing stations and the enforcement of highway weight and load limitations to the Department of Public Safety.

Since the State already has a highly competent enforcement agency which is available on a 24-hour per day basis, it is considered that enforcement of laws and transportation regulations applying to the traveling public should be consolidated within the Department of Public Safety.

Section 43 (page 22) - Section 57 (page 26) - contain revisions to existing statutes to carry out the requirements of sections 1 and 2.

Section 58 (page 26) transfers the maintenance and operation of State buildings to Department of Administration for two reasons:

(1) It is considered necessary to consolidate the space management function and the building maintenance function into one department to enable adequate policy and budget development for the carrying out of these duties.

(2) It is important to inhibit the ability of the building agency to use maintenance funds to correct or conceal design and/or construction deficiencies.

Section 59 (page 26) - Section 67 (page 29) are revisions to existing statutes to carry out the requirements of sections 1 and 2.

Section 68 - empowers the Governor to allocate appropriations for Department of Highways and Department of Public Works for FY 77 and prior years to implement the purposes of this legislation.

Sec. 1. The purpose of creating a DOT under this bill is to have within one department the responsibility for planning, managing, operating, and maintaining all the State's transportation modes and facilities, but not the design and construction functions which are the responsibility of the Department of Public Works. This split responsibility increases accountability and provides the legislative awareness and involvement in the decision-making process.

Sec. 2. AS 44 is amended to include new code sections concerning powers, duties, and organization of the DOT. .010 establishes Office of Commissioner; .020 makes it mandatory that the department exercise its responsibility for comprehensive planning of all modes of transportation, including surveying of existing modes and analyses of their present and future value, the development of alternatives for future transportation development, the translation of such alternatives into a statewide master plan, and the delineation of capital works projects in keeping with this master plan.

(7) requires that DOT and DPW "work cooperatively" to assure design and construction is consistent with plans and with management and operational requirements. By statute or by clear executive order, such "cooperation" must be clearly delineated. The process by which one agency instructs another and reviews the work of another is vitally important, for it is the process of transfer of responsibility which identifies sources of conflict and resolves misunderstandings. The delivery of a program plan from DOT to Public Works, the latter agency's review to ensure feasibility, and the dialogue resulting from this interaction, provide legislators, the Governor, and the respective commissioners with a clear view of the division of responsibility between agencies and allows for future evaluation of agency performance.

(9) and (2), (3) requires the DOT to perform transportation research. Such activity is of vital significance in a state of vast distances, scattered population and resource centers, and fragile physical environment. Research in transportation modes, design and construction techniques, logistics and cost-effective processes should be vigorously pursued and adequately funded. Alaska is unique in many respects, yet the bulk of our knowledge and methodologies are derived from others outside

Sec. 1. The purpose of a DOT under this bill is to have within one department the responsibility for evaluating, planning, design, construction, operating, and maintaining all the State's transportation modes.

Sec. 2. AS 44 is amended to include new code sections concerning powers, duties, and organization of DOT. .010 allows the DOT to exercise its responsibility for comprehensive planning of all modes of transportation, including surveying of existing modes and analyses of their present and future value, the development of alternatives for future transportation development, the translation of such alternatives into a statewide master plan, and the delineation of capital works projects in keeping with this master plan.

(7) This provision as stated in SB 56 not contained in this bill.

(2) and (3) requires DOT to perform transportation research. (9) as stated in SB 543 is not contained. Specifically, it requires the study of alternative means of transportation while provisions (2) and (3) in both bills require the study of existing modes and facilities and the study of means for improving transportation.

ANALYSIS: SENATE BILL 548 (9th/2nd)
Commerce & Finance Committee
(Continued - 2)

the context of our unique conditions. In a state of small population, huge distances, and extreme climate, we practice what is preached by those who live in areas of large population, short distances, relatively mild climates, encountering relatively simple logistics. Most of this adopted knowledge is useful, but much of it is utilized in the absence of any better. The State should help itself to the knowledge to be gleaned from expertise available, in order to best utilize available funds for the solution of unique problems.

(11) requires DPW review of first cost and LCC budgets, the program criteria and the completion schedules developed by DOT.

42.030 Regulations allows the Department to adopt regulations to implement, interpret, or make more specific, its powers and duties.

42.040 Departmental Organization - Same for both bills.

42.050 (a) removes requirement for revision at a specified interval of five years.

(b)(2) requires that every unit of State Government provide necessary assistance to DOT Commissioner to carry out responsibilities defined in this legislation.

(c) requires copy of plans to be kept on file and accessible to public.

42.060 Public Hearings and Surveys - Describes the several processes by which the public may respond to master plans, regional plans, and transportation facility plans. Such processes are mandatory so that the public may inform its servants as to its desires. Recognizing that public hearings alone often provide an inadequate basis on which to base public reaction (due to dominance by people with a sectional view or vested interest). Therefore, a requirement has been included for taking surveys of affected residents. There is also a requirement that this data be published and distributed.

42.070 Self-explanatory. Same for both bills.

42.080 Limitation on transportation facilities. Requires DOT to consult with other departments regarding impact of any proposed project.

(b) places additional requirements for environmental preservation and restricts use of privately owned land.

ANALYSIS: CS for HOUSE BILL 63
(9th/1st) Rules
(Continued - 2)

Not contained in CS HB 63.

42.030 mandates that DOT plan, design, maintain, and operate all transportation facilities.

42.060 (i) falls under the section on public hearings and as such is applicable only to those provisions.

42.040 Same for both bills.

42.050 (a) periodic revision is defined as every five years maximum.

(c) eliminates section requiring legislative approval of administrative policies.

(d) same as section (c) in SB 548.

42.060 Same as SB 548.

42.070 Same for both bills.

42.080 Requires DOT to consult with other departments regarding impact of proposed projects.

(b) not contained in CS HB 63.

ANALYSIS: SENATE BILL 548 (9th/2nd)
Commerce & Finance Committee
(Continued - 3)

42.090 - Self explanatory.

Sec. 3. Describes the duties of the DOT and of the DPW relative to DOT.

(a) vests the DOT with the planning, management, maintenance, and operation (formerly DPW responsibility) of only ferries and airports.

(b) vests the DOT with the (formerly DPW responsibility) planning, management, maintenance, and operation of highways, roads, bridges, traffic signs and signals, equipment, outdoor advertising, and all other duties not related to design and construction.

(c) vests design and construction responsibility formerly held by DOH with DPW including acquisition of property and use of power of eminent domain.

(d) requires DPW to design and construct only those transportation facilities planned and programmed by DOT. Requires DPW cooperation in the hearing and planning processes. Requires DPW administration during warranty period.

(e) requires DOT and DPW to coordinate and implement the provisions of public facility procurement policy. (AS 35.10.160, 180, and 190 requires consultation with other affected agencies. Requires that DOT obtain written DPDP approval of all proposed facilities.

Sec. 4 - Self explanatory. Same for both bills.

Sec. 5 - DOT assumes responsibilities for weigh stations and enforcement of weight and load limits on highways (formerly Department of Commerce responsibility).

Sec. 6 requires Alaska Revisor of Statutes to rearrange and transfer sections to insure conformance of all changes in functions made by this act.

Sec. 7. Same for both bills.

Sec. 8. Effective date July 1, 1976.

ANALYSIS: CS for HOUSE BILL 63
(9th/1st) Rules
(Continued - 3)

Sec. 3 (a) vests the DOT with the planning, construction, maintenance, and operation of ferries and airports, water and harbor facilities (formerly DPW responsibilities), except for design and construction of building

(b) vests the DOT with planning, construction, maintenance, and operation of highways, roads, bridges, traffic signs and signals, equipment and outdoor advertising (formerly DOH responsibilities), and all other DOH responsibilities.

(c) Not contained.

(d) Not contained.

(e) Not contained.

Sec. 4. Same for both bills.

Sec. 5. Not contained as stated in SB 548; it is the same for Sec. 7 in SB 548.

Sec. 6. Not contained as stated in SB 548; it is the same as Sec. 8 in SB 548.

Sec. 7. Not contained.

Sec. 8. Not contained.

A PETITION CONCERNING

CREATION OF AN ALASKA DEPARTMENT OF TRANSPORTATION

WHEREAS transportation systems and facilities do affect in a deep and lasting way the lives of Alaskans; and

WHEREAS the citizens of Alaska are ultimately responsible for and in control of the State's activities regarding transportation; and

WHEREAS the interest of Alaskans can best be served by an open, responsive, and simplified government transportation agency that heeds decisions made by a consensus of local citizens; and

WHEREAS Governor Hammond's proposal would place partial responsibility (planning and maintenance) in a Department of Transportation, and partial responsibility (for design and construction) in the Department of Public Works; and

Whereas public interest clearly is not served by government agencies which overlap in jurisdiction, duplicate effort and have poorly defined responsibility for projects undertaken;

THEREFORE, we the undersigned strongly urge the Alaska Legislature to create a single Department of Transportation with responsibility for all phases of state transportation activity, and to maximize the public's opportunity for involvement in transportation planning.

Signature	Printed Name	Address
<i>[Handwritten Signature]</i>	KYRINA J. PIERZ	801 H ST Anch. 99501
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<i>[Handwritten Signature]</i>	Daniel K. Locke	2642 W 27th Anchorage
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<i>[Handwritten Signature]</i>	Claudia Martin	SRA Box 1309 Anch 99507
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<i>[Handwritten Signature]</i>	Cynthia Wentworth	U.S. Fish & Wildlife 813 D S 99502
<i>[Handwritten Signature]</i>	GERALD R. BROOKMAN	12.20 "F" ST, ANCH. AK. 99507

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<i>Elizabeth Hollings</i>	ELIZABETH HOLLINGS	Rainbow Walk, Anch. 99501

Return to: Liz Holloway 913 West 6th Ave. Anchorage, 99501

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<i>Jeffrey D. Phillips</i>	JEFFREY D. PHILLIPS	629 E. 11 th APT 1 ANCHORAGE ALASKA 99505
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LEGISLATIVE SERVICE AGENCY
POUCH Y—STATE CAPITOL
JUNEAU, ALASKA 99901

TRANSPORTATION DEPARTMENTS
IN THE
SEVERAL STATES

Informational Bulletin 74-IB-3

FEBRUARY 1974

2
The State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

201 North, State Capitol
Madison, Wisconsin 53702

Telephone Area Code 608

Reference: 266-0341

Bill Drafting: 266-3561

Dr. H. Rupert Theobald, Chief



TRANSPORTATION DEPARTMENTS IN THE SEVERAL STATES

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TRANSPORTATION DEPARTMENTS IN THE SEVERAL STATES

I. INTRODUCTION

Wisconsin was among the first half-dozen states to create a state Department of Transportation. Now, almost half the states have such a department. The Wisconsin Legislature has before it 1973 Assembly Bill 1353 to reorganize this state's transportation department. Since the proposed changes would fundamentally alter the department's structure, the bill is of considerable significance and controversy.

The movement to establish departments of transportation caught on rapidly at the state level following the creation of such a department on the federal level. This interest would seem to reflect not only the trend toward state government reorganization, but also indicate a growing unease about transportation problems in our nation. The departments represent a hope that integrating the regulation of different forms of transportation might enable both the Federal Government and the states to see these problems whole and to deal with them accordingly.

What have these problems been? They have run the gamut from securing sufficient funds to meet the ever mounting use of highways and preventing drivers from killing themselves on those highways, to preserving urban bus companies and an ailing railroad industry from further deterioration and bankruptcy. Basically, the question is: How do you provide adequate services for the transportation of both goods and people? Now, with rising alarm over environmental factors and energy problems, come additional questions of how to provide these services with the least degradation of the environment and the greatest conservation of fuel.

The transportation industry is a mixture of private and public enterprise, and they intertwine in many ways. Privately owned automobiles, trucks and busses operate on publicly owned roads; privately owned railroads operate on privately owned tracks; private airlines fly in and out of public airports (often from private terminal facilities within the public airports); and urban transit systems represent a mixture of private and public ownership. Various subsidies over the years have further complicated the picture.

Traditionally, in most states, various aspects of transportation have been regulated by different agencies; and most states have had highway commissions, aeronautics commissions, public service commissions and motor vehicle departments -- or variations on them. Public service commissions came first to regulate railroads as utilities, followed by highway commissions or departments to build roads, motor vehicle departments to regulate drivers, and aeronautics agencies to promote the building of airports.

The creation of DOTs represents the first significant attempt at integration. Most DOTs have brought together two or more modes of transportation; none can be said to have brought all modes under one umbrella. Highways, airports, transportation planning and mass transit are those activities most frequently included to some degree in a department (Wisconsin's DOT includes them); railroad regulation and pipelines are the most frequently excluded.

DOTs can be organized modally, that is, with each division concerned with a particular form of transportation; functionally, with divisions crossing modal lines and dealing with some aspect common to all forms of transportation; or some combination of the two. Most tend to be primarily modal, with intermodal staff services (Wisconsin follows this trend) and with transportation planning being the most important intermodal function.

Within a department, modal divisions may be an integral part of the department structure; or, in some cases -- including Wisconsin --, certain divisions may be relatively independent and be attached to the department for administrative purposes only.

DOTs can be under the direction of a single head or under a policy-making board. Wisconsin has a single head, but a governing board for its Division of Highways.

1973 Assembly Bill 1353 would abolish the statutory Divisions of Highways and of Aeronautics and, the former independence within the structure, and replace the present Highway Commission,

which supervises the Highway Division, with a Transportation Commission, attached to the department for administrative purposes only.

At the hearings held prior to the convening of the Legislature for its 1974 floorperiod, proponents emphasized the broader outlook of a transportation commission in comparison to a highway commission and expected to provide input into transportation planning from the ground up with citizen participation via the hearing process. Opponents feared the downgrading of highways, the laying of the groundwork for highway fund diversion and the concentration of power in the commission rather than in local government.

This study will describe the present and proposed Wisconsin DOT together with the organization of DOTs in other states.

II. WISCONSIN -- PRACTICE AND PROSPECT

The Organization of the Wisconsin Department of Transportation

The Wisconsin Department of Transportation was created in 1967 as part of the overall reorganization of the executive branch of the state government. It brought together in the new agency the Motor Vehicle Department, the Highway Commission and the Aeronautics Commission.

As it is now organized, the department is headed by a Secretary of Transportation, appointed by the Governor with the advice and consent of the Senate. His staff includes an Office of Advisory Services, an Office of Information; the Bureau of Budget, Finance and Accounting, and the Bureau of Management Analysis and Audit; 3 councils: the Council on Traffic Law Enforcement, the Council on Aeronautics, and the Transportation Planning Council; and several subordinate officers.

The department is organized into five divisions: Highways, Motor Vehicles, Aeronautics, Planning, and Business Management. Each division except Highways is headed by an administrator. The motor vehicle administrator is appointed by the Governor; other administrators are appointed by the secretary. The Division of Highways is headed by the Highway Commission, comprised of three commissioners appointed by the Governor and confirmed by the Senate. The chairman serves as division administrator. The secretary and the five divisions administrators compose a Transportation Board.

The Division of Aeronautics supervises and promotes the development of publicly-owned airports throughout the state, promotes training programs for Wisconsin pilots, assists airport managers in management of their facilities, and provides services in aviation operation and education. The Division of Highways is in charge of building and maintaining the state trunk highway system and the federal system and advises municipalities and counties on local road construction. The Division of Motor Vehicles registers and licenses all drivers and maintains the state patrol. The Division of Planning collects information on state transportation needs and develops long-range plans for highways and other modes of transportation where they affect the use and need for highways. It is responsible for a comprehensive all-mode transportation plan for the state and has limited authority for planning mass transit. The Division of Business Management provides services for the department.

Unlike the typical division in the state organizational structure, which is a subordinate unit of a department, the Division of Highways and the Division of Motor Vehicles are attached to the Department of Transportation under Sec. 15.03 of the Wisconsin Statutes; that is, they are distinct units of the department, exercising their powers independently of the head of the department, but attached for administrative purposes.

The 1973 Executive Budget Act (Chapter 90, Laws of 1973) authorized the department to spend state and federal aid for planning, promotion and protection activities in the areas of highways, motor vehicles, traffic law enforcement, aeronautics, mass transit systems and for any other transportation mode as well as for ports, harbors and waterways when requested by a state, regional or municipal agency or harbor commission. The department was also authorized to engage in mass transit planning and demonstration projects.

The Proposed Reorganization of the Wisconsin DOT

1973 Assembly Bill 1353, introduced on October 26, 1973, by Representatives Vanderperren, Groshek, Grover, *et al.*, by request of the Department of Transportation, was referred to the Assembly's Committee on Highways. A hearing was held on November 29, 1973, and additional hearings have subsequently been held elsewhere in the state.

As introduced, the bill would:

1. Abolish the statutory Divisions of Highways and Aeronautics and the Highway Commission.
2. Create a Transportation Commission composed of the present Highway Commission members plus two other members to be appointed by the Governor with Senate approval.
3. Attach the commission to the department for administrative and budget purposes only under Sec. 15.03 of the statutes.
4. Allocate functions of the former divisions and of the Highway Commission to the department in general and to the new commission.
5. Make the commission responsible for intermediate single-mode transportation planning and long-range all-mode planning, including the areas of motor vehicles, highways, aircraft, airports, mass transit, railroads, pipelines, ports, harbors and waterways. To this end, it would hold hearings, review plans, goals and objectives annually and issue reports.
6. Authorize the commission to hold joint public hearings with the department relating to controlled access highways, bridges, mass transit or aeronautics projects, and require it to hold hearings before making any changes in the state highway system or adopting any intermediate or long-range plans.
7. Change the present state highway fund to the "state transportation fund."
8. Require submission of state agency and local government projects affecting transportation plans to the commission for its approval, although its findings with regard to state projects are advisory only.

III. A SURVEY OF STATE DEPARTMENTS OF TRANSPORTATION

Some 22 states now have a department of transportation: Although Hawaii led the way in 1959, most have been created in more recent years, with about half being established between 1966-1970 and half in the last three years. We will concern ourselves in this study primarily with the latter group.

Recently Enacted Laws (1971-73)

Of the most recent 12 departments of transportation established, Illinois, Maine and North Carolina enacted laws in 1971, while Massachusetts' 1969 law and Maryland's 1970 law became effective in 1971; California, Georgia, Ohio and Tennessee passed laws in 1972; and Arizona and South Dakota followed suit in 1973. The Kentucky department was established by executive order as part of a major executive branch reorganization in 1973, and -- although operational -- the reorganization must still be ratified by the General Assembly meeting in 1974. South Dakota's law was also a ratification of an executive order. Although California's Business and Transportation Agency dates back to 1961 (then called the Highway Transportation Agency), we are including it in this discussion because of the considerable changes made in 1972.

Executive head -- In each of these states the executive head of the department is a secretary, director or commissioner. They are generally appointed by the governor, but the Arizona director is appointed by the governor from a list of qualified applicants submitted by the Transportation Board. In Georgia he is appointed by the State Transportation Board.

Board authority -- Of the 12 states, 4 departments include boards of transportation. In addition, California has a State Transportation Board which is not a part of its department.

The Georgia law specifically states that the Transportation Board is the department head and establishes the general policies of the department, while the commissioner of transportation is the chief executive officer. The Arizona board establishes highway routes, awards construction contracts,

distributes funds for airport development, and advises the director. The South Dakota board has final authority on allocation of funds for construction of transportation facilities.

The California board, which maintains its own office, advises the secretary and the Legislature in forming and evaluating state policy and plans for transportation programs, reviews the director's reports and the departmental budget, and monitors the progress of the state transportation plan. The North Carolina board has exclusive authority over all highway matters, formulates policies and supervises the carrying out of highway functions by the department, and has authority over the organization of that part of the department carrying out highway functions. Illinois' Board of Highway Advisors has advisory functions on highway construction and maintenance.

The Maryland department's rather unusual structure includes a board which acts as an appeals board from departmental decisions, a Transportation Authority, which is concerned with issuing transportation revenue bonds; and a Transportation Commission which is advisory on transportation policy.

Modes -- All 12 departments include highways among their activities. All but Illinois have aeronautics functions. Eight specifically provide in their laws for transportation planning by the department. Only four departments include a motor vehicle function generally, while two others have limited duties in this area. Duties relating to mass transit, whether they involve planning only or distribution of grants for that purpose, are exercised by eight state departments, while the North Carolina department includes two state-owned railroads for administrative purposes only, and Georgia and Massachusetts include a metropolitan transit authority. Kentucky, one of the states with a mass transit function, is the only state of the 12 to attach its Railroad Commission, which exercises rate-making and regulatory functions, to the Department of Transportation, although it exercises its duties independently of the department. Miscellaneous functions which crop up among the state departments include tourist advertising (in Arizona), industrial marine and watercraft transportation (Tennessee), and waterways, including port authorities (Illinois, Maine, Maryland and Massachusetts).

Relationship of units to department -- When departments of transportation are created, the agencies transferred to the department may be absorbed into the departmental structure, becoming a subdivision of it, or they may be designated to retain some independent status. In the case of South Dakota's department, the Highway Commission was abolished, its functions were transferred to the department, but its quasi-judicial, quasi-legislative and special budgetary functions were transferred to the Board of Transportation. The Aeronautics Commission was retained for advisory purposes and to make recommendations to the board, which took over the quasi-legislative, quasi-judicial, and budgetary functions. Its other functions were absorbed into the department.

North Carolina's law transferred intact its Highway Commission (now Board of Transportation), Department of Motor Vehicles, State Ports Authority, and several other agencies to the new department, and they exercised their powers independently; other agencies' powers were transferred to the department.

As noted above, Kentucky's Railroad Commission was attached to the department "for the purpose of reporting administratively to the Governor", but remains an independent entity. Otherwise, Kentucky has an integrated structure, the law specifically stating that the secretary of transportation has exclusive control and direction of the department and exercises all authority of the previously existing agencies.

The Massachusetts structure is not quite like any other state. Its Executive Office of Transportation and Construction encompasses a department and several other agencies, most of whose heads are not appointed by the secretary but by the governor. It appears to be a rather loose federation of agencies.

The remainder of the 12 states seem to have a substantially integrated structure. Ohio, for example, provides that all duties, powers and functions of the department shall be performed under rules prescribed by the director and under his control. He has complete charge of the department.

Modal or functional organization -- The 12 departments are primarily organized along modal lines; that is, each type of transportation is the focus of a departmental subdivision. In most instances, the only major subdivision which operates across modal lines is transportation planning, which usually embraces all types of transportation. The Illinois law, however, specifically states that its basic organizational concept is functional rather than modal. It set up Offices of: Engineering

and Standards; Water Resource Management; Safety; Mass Transit; Planning, Programming and Environmental Review; Research and Development; Legislative and Public Affairs; and Administration. It thus seems to go further toward the functional principle than the other states.

The Earlier Laws (Before 1971)

Since the departments of transportation established prior to 1971 are well summarized in publications of the Highway Users Federation for Safety and Mobility ("A Status Report of State Departments of Transportation", December 1970) and the Council of State Governments ("State Departments of Transportation", August 1970), we will not describe them in detail here. These states and the dates their departments were created are: Hawaii (1959); New Jersey (1966); Florida, New York, Wisconsin (1967); Delaware (1968); Connecticut, Oregon (1969); and Pennsylvania and Rhode Island (1970).

Suffice it to say that like the departments established since 1971, the earlier DOTs are headed by a single head, whose authority varies from complete responsibility to primarily a coordinating function. None of the DOTs includes all the possible functions, and none includes pipeline transportation. All contain the state highway function and some kind of transportation planning. Most contain the responsibility for airports, mass transit, harbors and water transportation; only four include motor vehicles. Thus, the organization and functions of earlier departments do not seem to be substantially different from the pattern of the later DOTs.

Of the earlier DOTs, New York's department is one of the most noteworthy. It is organized on a functional rather than a modal basis. When the department was created, the responsibilities relating to highways, canals, the State Traffic Commission, aviation and mass transit were transferred to it and grouped into the Offices of: Management and Finance, Manpower and Employee Relations, Legal Affairs, Public Affairs, Planning and Development, and Transportation Operations. The organization is described as a "low-modal split", with units concerned with individual transportation modes existing at the lower levels in the departmental offices.

New York also appears to be the only state in this group that has transferred the regulation of private land transportation companies (including railroads, trucks and busses) from its Public Service Commission to its Department of Transportation. This was authorized by the 1970 Legislature and was carried out in 1971. It includes regulation of rates, finances and service of common and contract carriers.

Civil defense was also transferred to the department in 1971, and an Office of Natural Disaster and Civil Defense was created.

Finally, it may be of interest to note the evolution of the Department of Utilities and Transportation in the State of Washington. Although Washington does not have a transportation department, it flirted with this issue long ago. Like most states it created a Railroad Commission in the early years of this century, which subsequently became the Public Service Commission. In 1921 this was changed to the Department of Public Works and included a highway function. It was decided, however, that highways and utility regulation were unrelated, and so, in 1935, highways became the Department of Highways while utility regulation became the Department of Public Service. Public Service was split in 1945 into the Department of Transportation and the Department of Public Utilities, but these were again combined in 1949 into the current Utilities and Transportation Commission. The current commission regulates public service companies.

IV. STATE DEPARTMENTS OF TRANSPORTATION ESTABLISHED 1971-73

Agencies Established in 1973

ARIZONA Department of Transportation (Chapter 146, 1973)

Agency head. The Director is appointed by the Governor from a list of qualified applicants submitted by the Transportation Board.

Structure. The Director administers the department.

The Transportation Board (7 members appointed by the Governor, one from each of 5 transportation districts and 2 at large) distributes money from the state aviation fund for airport development, establishes state highway routes, awards construction contracts for transportation facilities, and advises director.

Divisions: Motor Vehicle, Transportation Planning, Highway, Administrative Services, Aeronautics, and Public Transit.

Responsibilities. State highways, state routes, state airports, and all state-owned transportation systems, transportation planning, motor vehicles, public transit, tourist advertising.

SOUTH DAKOTA Department of Transportation (Chapter 2, Laws of S.D., 1973)

Agency head. Secretary of Transportation is appointed by Governor, with Senate consent, to serve at his pleasure.

Structure. Secretary is head of department.

Board of Transportation (5 members appointed by Governor for 3-year terms, not all from same political party) has final authority within department on allocation of funds for construction of transportation facilities.

Division of Aeronautics is headed by a Director of Aeronautics, who is appointed by the secretary.

The Aeronautics Commission was transferred to the department by a Type 2 transfer and became the division. (The transferred agency is under the direction and control of the department head except that a board or commission transferred shall retain, and be limited to, advisory functions.) Its quasi-legislative, quasi-judicial and special budgetary powers were transferred to the Board of Transportation, but the board may not take final action regarding planning, construction and maintenance of air facilities without having received a recommendation from the commission. Other quasi-legislative and judicial functions of the commission are retained by it.

The Department of Highways was transferred by a Type 2 transfer also.

The State Highway Commission was transferred by a Type 3 transfer (It is abolished and its functions transferred to the department), but its quasi-legislative, quasi-judicial and special budgetary functions are transferred to the board.

The Motor Vehicle Reciprocity Commission was transferred by Type 3 also.

Highway Beautification Advisory Committee was transferred by Type 1 transfer (The agency is administered by the department and the secretary, but retains its quasi-judicial, quasi-legislative, advisory and other nonadministrative functions and exercises them independently of the department head).

Responsibilities. Highways, aeronautics, highway beautification.

KENTUCKY Department of Transportation (Executive Order 73-288, 1973)

Agency head. Secretary of Transportation.

Structure. Secretary heads department, has exclusive control and direction of it and exercises all authority of the previously existing agencies.

Office of Secretary of Transportation includes:

Office of Safety Coordinator, headed by an executive director; Transportation Planning Committee; Office of Transportation Planning, headed by executive director and consisting of 4 divisions: Planning, Environmental Systems, Airport, and Mass Transit, each headed by a director;

Divisions: Public Affairs, Budget, and Audit Review.

The Railroad Commission (a constitutional agency) was attached to the Office of the Secretary of Transportation for the purpose of reporting administratively to the Governor. The statutory responsibilities of the commission remain unaffected by the Executive Order.

Executive Office of Staff Services consists of:

Office of Personnel Management (including 3 divisions); Office of Administration and Operations (including 7 divisions); Office of General Counsel (including 2 divisions); Office of Computer Services (including 3 divisions).

Bureau of Highways, includes 10 offices, with divisions in each office.

Bureau of Vehicle Regulation, comprises several offices and divisions.

Responsibilities. Highways, motor vehicle regulation, aeronautics, transportation planning, mass transit, environmental systems.

Agencies Established in 1972

CALIFORNIA Department of Transportation (Chapter 1253, 1972 Regular Session; Chapter 559, 1973)

Agency head. Director of Transportation is appointed by Governor with Senate confirmation to hold office at his pleasure.

Structure. The Business and Transportation Agency is composed of 10 departments, of which 3 relate to transportation: Transportation, Highway Patrol, and Motor Vehicles.

Department of Transportation shall be organized by the director with the approval of the Governor and the Secretary of the Business and Transportation Agency, but the department shall be organized into at least 6 divisions: Highways, Aeronautics, Mass Transportation, Transportation Planning, Administrative Services, and Legal Division. The department succeeded to the duties of the former Departments of Aeronautics and of Public Works and the Office of Transportation Planning and Research.

The State Transportation Board, which is not a part of the agency or of the department, is composed of 7 members appointed by the Governor with Senate consent. It advises the secretary and the Legislature in formulating and evaluating state policy and plans for transportation programs and directs the State Transportation Board Office. reviews reports from the Director of Transportation, reviews the departmental budget, monitors progress on the state transportation plan. The State Transportation Board Office carries out the board's functions.

The State Aeronautics Board, within the department, consists of 7 members appointed by the Governor with Senate consent. It advises and assists the director in all matters relating to aeronautics.

The 1973 law created a Departmental Transportation Advisory Committee appointed by the Speaker of the Assembly and the Senate Rules Committee and consisting of 14 members (state, county and city officials, representatives of transportation planning agencies and others interested in transportation planning) to act in an advisory capacity to the department in the preparation of various reports. The department shall cooperate with and confer with the advisory committee.

NOTE: The California Business and Transportation Agency was originally created in 1961 as the Highway Transportation Agency (encompassing the Department of Public Works, the Department of Motor Vehicles, and the Highway Patrol). It subsequently became the Business and Transportation Agency, including 7 business-related departments and 4 transportation-related departments -- Motor Vehicles, Public Works, Highway Patrol, and Aeronautics. The 1972 law combined Public Works and Aeronautics to form a Department of Transportation and created the Board of Transportation outside the agency.

Responsibilities. Highways, aeronautics, mass transportation, transportation planning.

GEORGIA Department of Transportation (No. 1489, No. 1538, No. 248, Ga. Laws 1972)

Agency head. State Transportation Board is department head; commissioner is chief executive officer.

Structure. State Transportation Board members are as numerous as Congressional districts and are elected each by the members of the House of Representatives and the Senate from the counties and Senate districts comprising each Congressional district. The board establishes the general policies of the department.

The board elects the Commissioner of Transportation.

The department encompasses the functions of the former State Highway Department, the Department of Industry and Trade and its board relating to aviation, the Department of Revenue relating to motor carrier permits and motor vehicle tags, the State Department of Air Transportation and its board.

Responsibilities. Highways, airports and aviation, Metropolitan Atlanta Rapid Transit Authority, inspection of motor carrier permits and motor vehicle tags, transportation planning, technical assistance to local governing bodies to help them coordinate local plans with state plans and facilities.

OHIO Department of Transportation (Page's Ohio Rev. Code Anno. 1972 Supp. Title 55, Sec. 5500.01-07, 1973 Am.S. B. 96)

Agency head. Director of Transportation.

Structure. The director has complete charge of the department. All duties, powers, and functions conferred by law on the department and the divisions shall be performed under such rules as the director may prescribe and shall be under his control.

Divisions: Highways, Urban Mass Transportation, Transportation Planning, Aviation. Each division is headed by a deputy director, who is in the unclassified civil service and is appointed by the director.

The department succeeded to the functions of the Highway Department and those functions of the Department of Commerce relating to aviation.

Responsibilities. Highways, transportation planning, urban mass transit, aviation.

TENNESSEE Department of Transportation (Chapter 629, Tenn. Public Acts 1972, Vol. II)

Agency head. Commissioner of Transportation is appointed by the Governor to serve at his pleasure.
Structure. The commissioner, as head of the department, administers the department, appoints bureau directors with governor's approval, and promulgates departmental rules.

Bureaus: Highways, Area Mass Transit, Aeronautics, Industrial Marine and Watercraft Transportation, Planning, Business Management.

The department succeeded to the functions of the Department of Highways, the Aeronautics Commission, and the function of establishing speed limits formerly performed by the Department of Safety.

Responsibilities. Highways, mass transit, planning, aeronautics, watercraft, harbor and port facilities.

Agencies Established in 1971

ILLINOIS Department of Transportation (Public Act 77-153, Laws of Ill., 1971 Session, Vol. 1)

Agency head. Secretary of Transportation.

Structure. Secretary may create offices, divisions and administrative units and may assign functions to such subdivisions.

Offices of: Engineering and Standards; Water Resource Management; Safety; Mass Transit; Planning, Programming and Environmental Review; Research and Development; Legislative and Public Affairs; Administration.

The Board of Highway Advisors advises the department on the construction and maintenance of state highways.

Basic organization concepts are: functional rather than modal; bringing together multidiscipline analytic viewpoints; separation of the department's operation activities from its key direction and control functions; organization of top management function around the secretary, assistant secretary and under secretary-chief transportation engineer.

Responsibilities. Highways, waterways, harbors and port districts, beach - flood relief, water conservation, operation of bridges and ferries, integrated planning, coordination of plans and policies with other units of government, mass transit, motor vehicle inspection, driver safety.

MAINE Department of Transportation (Chapter 498, Laws of Maine 1971; Chapter 593, Laws of Maine Sp. Sess. 1972)

Agency head. Commissioner of Transportation is appointed by Governor with consent of Council to serve term coterminous with that of Governor.

Structure. Commissioner shall develop balanced transportation policies and planning; assist in developing transportation facilities in the state, promote use of all modes, and exercise the duties transferred to the department of the Dept. of Aeronautics; Highway Commission, Economic Advisory Board, Maine Port Authority, Advisory Committee of Ferry Service, Scenic Highway Board, and Highway Safety Committee.

Directors of bureaus are appointed by Governor with consent of Council to serve at their pleasure.

Bureaus: Transportation Planning and Services, Highways, Aeronautics, Waterways, Administration.

Division: Legal Services.

Commissioner shall create advisory committees and boards with Governor's and Council's consent to serve at his pleasure.

Commissioner was authorized to retain members of the Economic Advisory Board, Advisory Committee of Ferry Service, Scenic Highway Board and the Highway Safety Committee to serve in an advisory capacity to the department for not to exceed 2 years.

Commissioner serves on the Maine Port Authority.

Responsibilities. Highways, waterways, aeronautics, transportation planning, harbor and port facilities.

MARYLAND Department of Transportation (Chapter 526, 1970 Laws of Md. (effective 1971))

Agency head. Secretary of Transportation is appointed by Governor with Senate consent to serve at his pleasure.

Structure. Secretary is responsible for the operation of his office, may assign areas of responsibility, may reassign functions between subunits (with certain exceptions), and shall review and revise rules and regulations of all administrations, boards and commissions within the department.

The following agencies are included in the department: State Aviation Administration, Maryland Port Administration, State Public Transit Administration, State Highway Administration, State Motor Vehicle Administration, State Roads Commission, Md. Airport

Zoning Board, Airport Zoning Commission, Board of Airport Zoning Appeals, Unclassified Claim and Judgment Fund Board.

The secretary appoints the administrators with the Governor's approval to head the administrations. The state highway administrator is also the chairman of the State Roads Commission.

Board of Review, comprising 7 members appointed by the Governor with the advice of the secretary and the advice and consent of the Senate, makes recommendations to the secretary regarding the operation and administration of the department and hears and determines appeals from decisions of the secretary or of any administration or other agency within the department relating to a rule that is subject to judicial review.

Md. Transportation Authority, consisting of the secretary and 6 members appointed by the governor with Senate consent, assumed the duties of the State Roads Commission and the Md. Port Authority with regard to the issuance of revenue bonds for construction of transportation facilities and assumed control of user charges for transportation facilities and of issuance of revenue bonds for toll roads and port facilities.

Md. Transportation Commission, comprising 17 members (including 7 members of the State Roads Commission and 10 members appointed by the Governor with the advice of the secretary), was directed to study the entire transportation system of the state and advise and make recommendations to the secretary and the heads of all agencies within the department concerning transportation policy formation and program execution.

Responsibilities. Highways, aeronautics, motor vehicles, mass transit, planning, ports.

MASSACHUSETTS Executive Office of Transportation and Construction (Chapter 704, Acts & Resolves of Mass. 1969 (effective 1971))

Agency head. Secretary of Transportation and Construction is appointed by Governor to serve at his pleasure.

Structure. The secretary is one of the 9 secretaries comprising the Governor's cabinet. Each secretary has a group of state agencies under him and acts as the executive officer of the governor for accomplishing the purposes of his executive office. He is responsible for comprehensive planning, coordinating the activities under him, conducting studies to improve administration, and making recommendations to the governor, reviewing budgets of the agencies under him.

Within his office are the following state agencies: Department of Public Works, including all but a few agencies within the department; Aeronautics Commission; Mass. Bay Transportation Authority; Mass. Port Authority; Mass. Turnpike Authority; Bureau of Building Construction.

The Governor appoints: the Public Works Commission and its secretary, who acts as secretary for the Department of Public Works; Turnpike Authority; Port Authority; Parking Authority (partly); Aeronautics Commission; and Bay Transportation Authority.

The secretary appoints the director of the Bureau of Building Construction (with approval of Governor) and various assistants.

NOTE: Although created in 1969, the Executive Office of Transportation and Construction was not scheduled to become effective until 1971; hence it is included in this grouping. The secretary was to develop a new internal structure and recommend any needed legislation to accomplish this. The internal reorganization has not yet taken place as of January 31, 1974.

Responsibilities. Highways, aeronautics, ports, mass transit.

NORTH CAROLINA Department of Transportation and Highway Safety (Chapter 864, Session Laws 1971; Chapter 507, Session Laws 1973)

Agency head. Secretary of Transportation and Highway Safety appointed by Governor to serve at his pleasure.

Structure. Board of Transportation has 9 members appointed by the Governor, 3 appointed from the General Assembly, and the chairman, who is the Secretary of Transportation and Highway Safety.

The board has exclusive authority in all highway matters, shall formulate policies in carrying out highway functions assigned to the department and shall supervise the carrying out of these functions. It has authority over the organization of that part of the department carrying out highway functions and the personnel. It may delegate management functions to the secretary.

Secondary Roads Council, appointed by the Governor, adopts an annual work program for secondary roads in each county.

When created, the Governor's Highway Safety Program, the N. C. Traffic Safety Authority, the Governor's Aviation Committee, and the Vehicle Equipment Safety Compact were

transferred to the department under a Type I transfer (all powers of the agency were transferred to the new department).

As created, the State Highway Commission (now Board of Transportation), the Department of Motor Vehicles, the Board of Commissioners of Navigation and Pilotage for the Cape Fear River, the North Carolina Railroad Directors, the Atlantic and North Carolina Railroad Company, and the State Ports Authority were all transferred to the new department by a Type II transfer (the transferring intact of an existing agency, which is then administered under the direction and supervision of that department, but exercises its powers independently of the head of the department except that management functions are performed under the direction and supervision of the head).

Responsibilities. Highways, motor vehicles, highway safety, aviation, ports, railroads.

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LEGISLATIVE AGENCY

TO HOUSE FINANCE COMMITTEE

By

Walter B. Parker
Commissioner of Highways

March 29, 1975

During December and January an administrative working group was formed to develop some guidelines and recommendations for a Department of Transportation. Ten commissioners participated in this effort, along with staff from the office of the Governor, the Attorney General's office, and specialists from several departments. The results of the working group were presented to the legislature in suggested legislation which embodied several important principles which, it was hoped, embodied the concepts which Alaskans want from a DOT bill.

The principal features of this bill are:

1. The Alaska State Transportation Plan, which is not only a map of project locations, but is a comprehensive document which will embody the anticipated capital costs, maintenance costs, and operation costs, as well as anticipated benefits to the transportation system from such improvements. Impacts upon competing modes, land use implications, etc., will be carried forward in the plan.
2. Public hearings - A stringent requirement of the proposed legislation is to require the Department of Transportation to hold public meetings and hearings to discuss any proposed transportation improvement of significance. There are two hearings required. The first is in the form of a public meeting which discusses proposed "concepts" of transportation improvements. Basic strengths and weaknesses of a concept will be examined before any significant resources have been applied to the concept's development. The second public hearing is to allow public examination during the design of a transportation improvement which has been developed after being deemed practical as a result of the first hearings.

3. An inclusive statement also requires the department to file an environmental impact statement for its proposals for crossing any designated recreation area, 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.
4. Enabling legislation should be as broad and flexible as possible providing freedom of organizational development. In a period of rapid advances in science and technology it has become increasingly important that developing regions, such as Alaska, take advantage of what is new or that they maintain flexibility in anticipation of coming changes.

The State of Alaska has been discussing the idea of a DOT for the past five years. We needed it five years ago and have suffered five years of continued inactivity in several areas because it or some similar framework has not existed. I am compelled to point out at this time that the Legislature's Interim Joint Transportation Committee, after a year's study, in their 1974 report concluded ". . . that Alaska has a very fragile, ineffective, high-cost and primitive transportation system, particularly when you get off the 'rail belt.'" Further, testimony by the committee suggested that, "The committee's bill, the Department of Transportation concept, found extensive support, especially for planning and providing (as a result of planning) a method of achieving economically feasible modes of interconnecting transportation to remote Alaska." The committee also suggested that there is "ample evidence of the need of an integrated Department of Transportation for planning through construction, not only as a tool of the present transportation program, but also to 'dovetail in' the new federal mass transportation proposals."

The urgency for creation of a DOT has never been more pronounced than at this moment.

We are facing possible demands for pipelines from both the federal and private sectors in several areas of the state. We are not one whit closer to having any capacity for dealing with these pipelines in the developmental stage than we were in 1969 when the original TAPS proposal was brought before us. The office of the state pipeline coordinator is designed to provide surveillance over the Alyeska project. It is not staffed for the kind of economic and engineering analysis that new proposals on pipelines will require.

In the area of overall ports and marine planning the state has virtually no capacity at all. Alaska's main logistical link for food, materials, and resource development is with water borne commerce. Shippers come to the state with ideas and there is no one for them to turn to for the type of port planning that is related to cargo flows and the support systems necessary for the smooth functioning of a regional port. The port of Anchorage provides many illustrations of this fact - inadequate dredging services, inadequate storage facilities, an inadequate road system to complement the port and expedite the delivery of goods.

The aviation system has been going downhill for 20 years in the bush. The only improvements have been a few airports. In the critical areas of communications, lighting, navigation aids and, most important, weather reporting, the gains have been marginal at the best for bush aviation. FAA administrators promise better things. I heard one do so last month. He resigned three days ago and his promises with him. The state capacity to develop total aviation systems tailored to our needs

and provide the FAA with our idea of a system must be developed. A catalogue of airports is not a system. The FAA has never been presented with a real state system to respond to. Neither has the CAB been presented a real system to respond to. Why must Alaska always be in a position of weakness here with no defined desires of its own in transportation?

In addition, it is mandatory that the state be in a posture that will insure that it receives all possible federal transportation dollars that it deems necessary to fulfill the goals of the state. Under the Urban Mass Transportation Administration there was available money last year for a mass transportation planner to the state to help communities in their planning and securing grants. Nothing was done because there was no Alaska Department of Transportation or other agency to petition for the funds.

The proposed allocation formulas associated with the ADAP's airport improvement program, and with the highway trust fund and general fund allocations, especially the rural transportation assistance program, suggest that the state will not be assured the share of federal transportation dollars it now receives in the period beyond 1976. An Alaska Department of Transportation will create an agency that can deal effectively with this changing process.

By combining the present planning talents in the transportation agencies in the state we can provide a minimum level of improvement. This must be buttressed by some carefully selected specialists in other areas not presently available on the state roster. Under a functional transportation organization savings could be made in administrative costs that would fund these new skills for the state.

Great tribulations beset this State on land and on sea. The problems related to the pipeline are but the whisper of future avalanches of projects dealing with energy extractions. OCS developments and continued exploration on land will create a host of related transportation problems that must be solved and that cannot be solved by the presently separated planning organizations in a timely manner.

Our resources are very thin and the problems are growing much faster than our capability to solve them. I believe that a DOT encompassing all functions of all state agencies concerned with transportation is a vital necessity now. If we delay we will continue the status quo that has brought us here to consider the creation of a Department of Transportation.

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WHAT KIND OF DOT?

In order that Alaska's resources may be best utilized to enhance the well-being of its citizens, responsive planning processes must be built for the provision of transportation, education, communication, health, and the other services necessary to support further development both in the urban and rural areas of the state.

Since the State government is providing an increasing proportion of the funding required to provide the necessary services, it should assume a concomitant share of the responsibility for the development of planning processes which will ensure their delivery.

There is currently no integrated process for the planning, delivery and management of transportation services to support community development. Various solutions to correct this deficiency have been proposed, ranging across the organizational spectrum. The simplest proposal calls for the creation of a Transportation Planning Commission, which would coordinate the efforts of the several State departments involved in various modes of transportation. The most far-reaching proposal organizationally would require the creation of a State Department of Transportation responsible for the program planning, project planning, design construction, management, and maintenance of all present and future transportation modes. A variation of this proposal would create a DOT responsible for the obtaining of funding for all transportation services and facilities, and for program planning, initial project planning, management, and maintenance of all transportation modes and facilities. Under this proposal, final project planning would be coordinated with the Department of Public Works, which would then become responsible for the design and construction of transportation facilities for the DOT. The regulation of transportation industry would remain with the Alaska Transportation Commission. Enforcement of

statutes and regulations would be performed by the Department of Public Safety.

The various proposals reflect the attitude of their proponents toward governmental organizations.

The "Commission" proposal, basically generated by some sections of the transportation industry, reflects both an awareness of the need for transportation planning and an apprehension toward large monolithic governmental entities.

The "unified" DOT proposal, supported by the Commissioner of Public Works, and others, recognizes the inherent weakness in a "commission" approach, which would, practically speaking, have little control over the various State departments. It recognizes the need for a strong planning base but fears the consequences of the creation of a "unified" DOT which, under one Commissioner, would be responsible for proposing, disposing, and managing all transportation funds and regulating transportation activity.

Given the history of large governmental organizations (e.g. Federal HEW, HUD and Defense, and Alaska's Health & Social Services) and given the tendency toward insensitivity inherent in monolithic self-contained bureaucracies, it is the position here expressed that the "check-and-balance" inherent in the "variant" DOT provides the most viable solution.

The tendency toward internal self-satisfaction and insensitivity to outside control inherent in large bureaucracies has been discussed earlier. The fuel which feeds such tendencies is money, and the degree of internal flexibility with which money can be used to sustain the private need, as opposed to the public need, for its expenditures.

It is therefore necessary to develop a functional process wherein the decision to spend large sums of public funds subject to the most

vigorous debate. Such debate will tend to occur when the natural self-defensiveness of organizations and individuals is utilized to the public advantage.

A planner, employed by the Commissioner of DOT, will propose the expenditure of public funds to a designer by the Commissioner of Public Works. Since the planning proposal will dictate the terms and conditions of the design result, the planner must be able to defend the planning prospectus and the funds allocated to execute that prospectus. If he cannot, the designer will be loath to accept the responsibility for its execution.


If they disagree as to the proposed expenditure, or the project prospectus which has generated the funding requirement, then their respective Commissioners will resolve the debate or their employer, the Governor, will do so. Since Commissioners and Governors generally dislike having their time absorbed by endless management disagreements, it will become incumbent on both planner and designer to coordinate their separate and mutual efforts.

Coordination between departments is not inherently difficult, provided the management of such coordination is clearly delineated by procedures which define the functional responsibilities of the individuals involved, and provided that sufficient resources are afforded the employees in order that they may effectively perform their respective functions.

It is rare that a large private organization proposes capital expenditures, then designs and monitors, solely internally, its own construction program. It will normally test its proposals by commissioning a "feasibility" study, usually accomplished by a consulting firm. It will then obtain the services of architects and/or contractors who will design and construct its facilities.

Chapter 216 SLA 1975 already requires the Department of Public Works to perform a similar function for all State departments, excepting the Department of Highways, by evaluating the long-term cost (not just the purchase price), on all requests for capital expenditures, including maintenance and operating costs, and the cost of use of proposed facilities, using a "Life Cycle Cost" analytical technique. Such an exercise applied to transportation facilities will enable elected officials to evaluate the merits of the proposals of program and management agencies, including DOT, prior to the commitment of public funds. Given adequate management guidelines and the development of integrated planning processes, the resultant procurement of public facilities should be programmatically relatively simple.

It is important to note that transportation services do not exist alone. The process outlined above will provide for the integration of transportation planning with the other major program and management functions of government, e.g. education, communication, and social services.



ORGANIZATION OF DEPARTMENT OF TRANSPORTATION

(By: Donald Harris, Commissioner, Department of Public Works)

The question is not whether planning and management functions should be integrated. Of course they should.

The question is how to develop organizational structures to provide:

(1) that planning activity develop options for consideration of policy-makers, such that the Governor and Legislature may best represent their constituencies.

(2) that project proposals which result from the planning process can be tested to ensure conformance with program objectives and established policy.

(3) that the building bureaucracy does not dominate the planning function, e.g. that projects are not proposed for bureaucratic self-serving reasons.

(4) accountability both at the beginning and at the end of the design/construction process.

Attached is a draft analysis of the forces at work within governmental organizations which may be either harnessed to the public benefit, or ignored to the public disadvantage.

February 3, 1976

"We dream of systems so perfect that man need never be good." (T. S. Eliot)

We are a nation of problem solvers and we rely heavily on our institutions to assist in problem solving. Quite often we legislate organizations into being, or legislate theoretical solutions into being, without an adequate understanding of the forces at work in our institutions which tend to stymie our intent and stifle creative work. Legislating the solution to one problem quite often creates another,¹ because we fail to analyze the basic self-protective instincts of people and of the institutional hierarchies to which they owe their personal advancement.

It is, therefore, critical that we understand the nature of organized bureaucracies and the forces which motivate institutional organizations if we are to rely on them to further the public interest.

The ability of an institution, particularly a governmental organization, to perform effectively depends on three prime factors:

1. Policy Formulation - The ability of policy-makers (Governor, Commissioners, Legislators) to debate priorities and provide actual rather than superficial policy direction.
2. Organizational Structure - An organizational structure which provides the necessary basis for policy formulation and which provides a vehicle for the execution of public policy.
3. Motivation - The quality of the people working in the bureaucracy and their motivation towards effective performance.

POLICY FORMULATION

Alaska's strong gubernatorial system provides that the Governor and his appointed officials will formulate policies which the legislature will debate. The legislature will concur with, modify, reject, or supplant such policies and provide the funding necessary for policy implementation.

In a developing state such as Alaska, policy execution often requires the acquisition of facilities, which themselves become a visible demonstration of the political process response to constituent need. Often, the Governor and the legislature will differ over the need to provide facilities. Governors tend to be judged, both statewide and regionally, on their soundness of fiscal management and the vigor of their leadership in proposing policy. Legislators, elected to serve the interests of individual constituencies, tend to demonstrate responsiveness to their electorates in varying ways.

[1] A case in point is the Merit System, a personnel classification process which governs the qualifications required for employment and the means of advancement of employees. The Merits System was developed to minimize the effects of patronage and corruptions which were rampant in the Federal Civil Service in the late 19th century. The practical effect of that invention was to reward seniority and protect individual employment almost to the exclusion of reward for performance. We now live with the result.

Urban area legislators, representing districts (e.g. Anchorage) which are already provided with basic services (e.g. education, sewerage, communications) tend to be more "issue" oriented, concerned to debate statewide programs and priorities which affect their constituencies. Legislators who represent rural or small populations tend towards programs providing State support for basic services and/or the economies of local areas. It is felt that constituents in such areas respond to those legislators who provide tangible benefits, often monetary and, most visibly, via acquisition of facilities. This political phenomenon, derisively referred to as "pork barrel," is in fact quite often a response to perceived constituent need and will tend to override a legislator's otherwise genuine commitment to programmatic development.

Policy Formulation Supported by a Planning Process:

The ability of elected officials to provide policy direction can be enhanced by a planning process which is designed to accommodate political realities. Historically, however, planners' views have tended to clash with those of politicians because the planning discipline requires a long-range assessment while governors and particularly legislators are necessarily constrained to think in shorter terms. Consequently, those planners who enjoy relative institutional isolation from political oversight may dominate, to the frustration of politicians, while planners whose budgets are accessible to actual, rather than superficial, political scrutiny tend to submit to political direction, often to the frustration of their own perceptions.

It is argued here that a prime function of a planning process is to challenge and reaffirm program goals; then, to identify optional means of achieving these goals with the concomitant development of resource requirements necessary to implement each option. It is not a prime function of a planning process to imprison policy-makers within the personal or philosophical preferences of the planners.

Once the political process has digested, approved, modified, rejected or replaced planning options, it is the further task of the planning process to ensure, whatever the level of expenditure, and whatever the policy decided, that appropriated funds are expended in the most cost-effective fashion.

The planning process will derive its directions both from management, which perceives an impediment to effective program delivery, and from policy-makers elected on the basis of stated goals or directions. In order for the planning tool to be utilized, it is necessary for its recommendations to employ a language comprehensible to its clients, both managers, and the constituency which elects policy-makers.

Since legislators, who hold the purse-strings, must act as the servants of individual constituencies, a planning process which attempts to allocate resources on a rational basis will only achieve that measure of success granted it by a series of self-interested legislative districts, i.e. the planning process must not only speak in a language which the electorate understands, but also demonstrate to the electorate and its representatives the long and short term value of support of the process rather than its subversion.

The Impact of Independent Capital Improvements Program (C.I.P.) Funding on Policy:

When an agency has access to relatively predictable major funding sources which are independent of, and, therefore, insensitive to, the local political structure (e.g. Federal funds), it will tend to take advantage of the short-range political need of its elected overseers rather than submit to a long-range discipline, when such a course will protect its autonomy, staffing levels, and budget, as will be discussed later.

Legislators, and even governors, will tread warily when dealing with such an agency, particularly when their constituents need such amenities as roads and airports. Even though the expenditure of "free" CIP funding has an enormous impact on future operating budgets, politicians rarely fail to provide requested levels of State matching funds for Federally available construction monies because of (a) the political danger inherent in such action, and (b) individual legislator's needs to obtain CIP funds for their own districts.² Since the large Federal appropriations, particularly transportation CIP funding, are provided for construction rather than planning, management or maintenance purposes, the construction of roads and airports will tend to proceed because of political imperatives, independent of the theoretical control of the State's formal political process, or the planning effort supporting that process.

ORGANIZATIONAL STRUCTURE

Nothing inhibits policy formulation and execution so much as a bureaucracy which is insensitive to or ineffective in responding to the theoretical control mandated by the political structure. Theoretically, political and administrative control over Alaska's State departments is achieved by gubernatorial appointment of commissioners who must be confirmed by the legislature. Therefore, the criteria which influence such appointments are of prime importance, for if the appointee is ineffective or unwilling, the organization's effort will tend to be directed primarily toward the self-preservation and self-sustenance of its members. If no effective external pressure exists, the organization will achieve self-satisfactory status depending on:

1. Its insulation from executive, legislative, or public scrutiny.
2. Response to informal political pressure and its ability to satisfy the sources of such pressure.
3. The predictability of its major source or sources of funding.
4. The degree to which users of its services feel, or are in fact depend on the agency's provision of services and its flexibility of internal choice in providing service.³

[2] E.g. Alaska Department of Highways is not required to conform to the State's CIP budget cycle, either with regard to the submission of six-year plans or by the itemization of projects as to location and amount for submission to the Budget Review Committee. Its CIP request constitutes one lump sum. It prepares its own five-year plan, deviation from which is essentially left of its own discretion. Many legislators fear that should they indulge too rigorous a review of the Department's budget request or proposed spending pattern, the consequence might be that their own districts' highway projects would continually be found in the fifth year of successive five-year plans. Such a perception, real or imagined, tends to provide the agency with relative immunity from oversight.

[3] See Footnote [2].

The design of organization structures should reflect the political realities inherent in both the choice of political appointees and the self-protective nature of bureaucracies, particularly in those agencies which require the expenditure of capital improvements funds to accomplish their mission. This consideration is even more critical when the largest component of first cost (procurement price) of capital improvements is derived from funding sources which are relatively insensitive to Alaska's political structure, e.g. Federal Highway Trust Funds and Airport Development Air Program funds. For the decision to build affects not just the disbursement of first cost dollars, but also the commitment of the State Treasury to the costs of maintenance and use of such facilities over their useful lives. Although the technique known as Life Cycle Costing is yet in its formative stages, it is suspected that the following ratio provides a tentative guide: ⁴

	<u>First Cost</u> ⁵	<u>M & O Cost</u> ⁵	<u>Occupancy Cost</u> ⁵	<u>Total</u>
Institutional Buildings	1	1.2	8	10.2
Hospitals	1	1.5	13.0	15.5
Highways	1	1.0	N.A.	
Ferries	1	3.0	12 ⁶	16

Political and Administrative Control:

Commissioners tend to be appointed based on a commonly shared philosophical attitude, because of political support which the appointees have provided the Governor, or because their technical abilities are seen as a vehicle by which the Governor may execute policy in a field in which he or she feels a special competence and interest. It is not necessarily true that commissioners are appointed primarily because of their managerial background.

The management task, therefore, is commonly left to the permanent civil service. Unfortunately, the merit system, which fills the bulk of senior management positions, rewards longevity of service more often than it recognizes managerial skill. Consequently, theoretical policy formulation is often frustrated in execution, not so

[4] Source: Hanscomb Associates

[5] First Cost = Total Cost of Procurement
M & O Cost = Maintenance, Operations & Minor Repair
Occupancy Cost = Cost of Use, e.g. Salaries & Services to Support the Facilities' Utilization

[6] Includes Crew Salaries & Support

much because the executives are unwilling but because due to lack of training or experience, they are unable to organize the effort required.

This administration is currently burdened with the consequences of a series of senior appointments made largely as a result of political allegiance, by prior administrations. No guarantee exists that similar criteria shall not be followed by future administrations.

The probability exists that we are currently witnessing a peculiar, rather than normal, gubernatorial exercise. The incumbent Commissioner of Highways is extremely planning oriented. In this respect, he differs remarkably from his predecessors and possibly his successors. The incumbent Commissioner of Public Works is likewise somewhat unique in his determination to promote cost-effective government. However, commissioners come and go, and, to the degree that their ideas or personal philosophies clash with the ingrained attitudes of their departments, their legacy may not long survive their inevitable departure. It is, therefore, important that a debate regarding departmental organization not center around natural personal constituencies within the administration, but rather on the degree of control which any commissioner is able to exert on his or her organization and its responsiveness to the politically mandated mission and to the provision and disbursement of funds required to accomplish that mission.

The Consequences of Insulation:

It is possible to illustrate the degree of insulation from political scrutiny attainable by an agency which receives large amounts of Federal CIP funds.

The Alaska Department of Highways, unlike every other State agency, is not required to submit requests for CIP positions to the Division of Budget and Management. The sole approval required is that of the commissioner, except for Grade 20's and above, which must be approved by the Governor's Office. The number of CIP positions available to the Department is currently 852, at a payroll cost of approximately \$16,800,000 per annum (were they all filled), at an average range 18-A.

The Department of Highways, as pointed out earlier, unlike other State agencies, does not submit a six-year CIP plan to the Division of Budget and Management to support its capital improvements requests. It prepares its own five-year plan which has historically become available in January, at the beginning of the legislative session.

Unlike other State agencies, the Department of Highways does not itemize its capital improvements requests for State funds to match Federal receipts. It does itemize a small portion of its total request, i.e., G.O. Bond funds for projects not eligible for Federal aid. The current request is as follows:

1976 G.O. Bond Issue Request to Match Federal Aid =	\$ 62,259,800 ⁷
Anticipated Federal Aid =	<u>406,535,300</u>
Total	\$468,795,100

[7] It is probable that these funds will be approved.

These funds will be dispersed essentially at the discretion of the Commissioner of Highways.

Other 1976 G.O. Bond issue requests, which are itemized, equal \$8,128,000.

The total proposed CIP expenditure is \$476,923,100 (over 50% of the total CIP budget), of which only 1.7% is itemized for review by the Budget Review Committee.

It is apparent that the current practices described, provide for less than rigorous review by elected and appointed officials, whose theoretical task it is to establish and monitor policy formulation and execution. It is possible that the current administration may be able to change some of these practices. It is also possible that the same forces which produced this internally comfortable state of affairs may cause this heavily federally funded agency to revert to current practice under future administrations.

Division of Aviation, Department of Public Works, while not as autonomous as Department of Highways, exhibits similar symptoms in its construction program which is supported largely by ADAP funds. For instance, it is extremely difficult to determine the historical basis for allocation of Federal receipts to State airport construction projects by analyzing the Division's records.

The University of Alaska's research program may provide similar examples, although not CIP-related.

Agency Response to Informal Pressure:

The ability of an agency to respond to informal political pressure, there providing it with allegiances with individual legislators, can be easily imagined when the vast bulk of its CIP effort is subject to no effective administrative or formal legislative scrutiny. Even were its long-range plan submitted to the responsible State agencies prior to submission to the legislature, such a document is not binding, except upon the will of the incumbent commissioner. He must bear the brunt of pressure from within his agency, from the supporters of the funding source, and from interested Alaskan political lobbies.

The Consequence of Predictability of Funding Sources:

When an agency responsible for planning, design, construction, management, and maintenance has a relatively predictable funding source (ADAP, Highway Trust Fund), the forces within, perhaps unconsciously, will tend to organize the expenditure of such funds to support its staffing pattern, without necessarily indulging in vigorous review to improve its modus operandi. A case in point is Division of Aviation, which currently has sufficient State G.O. Bond authorizations to match perhaps three more years of ADAP allocations.

Aviation's 1972 G.O. Bond issue contained authorization for 31 design projects for trunk and secondary airports, ranging in amounts from \$10,000 to \$30,000. Construction funding for many of these projects was contained in the 1974 G.O. Bond issue. When questioned regarding this procedure, Aviation personnel provided the following responses:

Q. Why does it take two years to design a series of small bush airports?

- 8
- A. We only have 47 design staff positions authorized.
 - Z. Since somebody has already decided that these airports shall be designed and constructed, why not obtain pre-planning funds and package these design tasks into discrete groups. Allow the local professional firms six months of real time to perform the design task and put the construction funding on the 1972 G.O. Bond Issue, thus saving two years of inflation.
 - A. Local design firms don't usually have the capability or the expertise to design bush airports.
 - Q. Is that because you don't give them the work?
 - A. What we really need is a larger staff to accomplish the work faster.

As a point of interest, it is generally true that when an agency receives a relatively guaranteed Federal income, it is not so subject to lobby pressure from local professional societies through interested legislators, who themselves are dependent to a degree on the agency's allocation of projects and funds. The result tends to be the creation of large staff of design and construction personnel (CIP positions), currently 852 positions in the Department of Highways and 228 in the Division of Aviation.⁹ The argument is rarely heard within these agencies that certain kinds of projects may be prosecuted more

NOTE: Division of Buildings, which is not afforded the flexibility provided by regular Federal funding and which has long suffered from lack of sound management, is currently budgeted for two CIP employees who are responsible for the design management of a current program involving \$130,000,000 at 60+ sites around the State. The Division should have five times that staffing level, given the current workload.

[9] It is interesting to note that Division of Aviation and Department of Highways have as their mission the planning for, construction of, and management of two major modes of transportation. The planning function absorbs considerable State funds, while the management and maintenance function is almost entirely State supported. The construction function is very largely supported by the Federal Government. The hierarchies of these are dominated by design and construction engineers, whose existence is largely dependent on Federal, not State funds.

cost-effectively by a greater use of private consulting firms.

The following example will illustrate the diffidence with which an in-house design bureaucracy tends to respond to external ideas. Recently, Department of Highways commenced preliminary studies on a bridge design in Southeast Alaska. The published construction cost amounted to \$15,000,000. A private consulting engineering firm, acting on its own volition, developed a design which it felt might reduce the cost to approximately \$8,000,000.

The design, developed by two former Department of Highways bridge designers, was forwarded to the Department, probably in the hope of obtaining a design contract. At first the proposal was ignored. Later, because of a personal relationship maintained by a principal of the firm, the design was informally reexamined. Successive criticisms resulted, each answered by the firm. After several weeks, during which time no formal response was received from the Department, the firm ceased its effort.

Another kind of cost inefficiency which results from an exclusive internal design effort results from the need to provide for the salaries of staff members during slack periods. For instance, it is relatively common practice for a design agency not to close its books at the conclusion of construction of a project, in order that employees may be paid through the winter months from any surplus remaining. In the absence of any budgetary or programmatic oversight, such practices are difficult to curtail, indeed they are often almost impossible to detect actuarially.

Given the relative insulation from political oversight enjoyed by agencies such as those described, it is not difficult to understand that there is small force predisposed to check their forward progress toward internal self-satisfaction. Nor is there an inbuilt counterweight to balance their collective view of the priorities and methodologies on which public funds should be expended.

Quality and Motivation of Personnel:

Civil servants are ordinary people. They bear close comparison to employees of large private institutions, e.g. banks, large manufacturers. Probably as a group they lack the aggressiveness of a small private entrepreneur, but their intelligence and competence is high. Middle managers, particularly, constantly reveal a degree of ability which belies the popular prejudice leveled at the "bureaucrat."

They do carry one distinction which separates them from private employees, in that they tend to be subject to different kinds of pressure. Any employee, if he is to carry out his mission, requires instruction and a set of management guidelines. The larger the organization, the further the employee is removed from the policy-maker, the more formal the guidelines, so that policy direction may travel the most direct route to the employee responsible for policy execution.

Procedure manuals exist. For instance, the Procedure Manual for the Department of Public Works contains such sections as "Travel and Per Diem," "Filing Instructions," and "Salary and Personnel Rules." Employees understand the rules which govern their wages and benefits. They understand that an informal code governs their behavior. However, they are rarely given instruction in how to OPERATE. There are few MANAGEMENT guidelines to accompany class specifications, so that an employee may understand the nature of his duties and the performance to be expected in the prosecution of his work. Such guidelines are generally transmitted by word-of-mouth, if at all.

The middle management employee, particularly in the CIP disciplines, sometimes draws the attention of an interested legislator or the representative of a powerful special interest. He may be blessed with a strong supervisor, director or commissioner, or he may not. If he is not, but yet he understands his mission, he may realize that the attention bestowed on him sometimes conflicts with his goal (towards effective performance). If he perceives that his director or commissioner is primarily concerned with the avoidance of conflict, then he realizes that the problem is his to solve. He will generally compromise, or temporise. Should his withdrawal or hesitancy then impair his work product, he will sometimes find the originator of the pressure in the forefront of the critics of his diminished performance. Several such incidents will teach him caution, or lead him to the shelter provided by the nearest available legislation or regulation.

The public, quite often, judges not the cause but the result.

It is the theoretical task of political appointees, commissioners and directors to receive and dispatch political pressure in order that permanent employees may effectively perform assigned duties. If such appointees abrogate such duties, civil servants are left to their own devices. Those who can cope advance. Those who cannot, retreat and retrench. Some leave in despair. For lack of leadership, the employees suffer both personally and publicly, as does their mission.

Most government workers will respond to leadership, clear guidelines, and equitable dealing. In the absence of these climatic conditions, many employees will resort to protective devices, such as self-justifying memoranda.

Most civil servants will exercise their need for self-defense until they observe that their superiors accept the responsibility for the creation of a viable working environment. If such an environment is created, they are as capable of productive work equal to that of employees in the private sector.

The Effect of Organizational Structure on Employee Effort:

The process which implements governmental CIP programs is unique in two major respects:

1. The process should require the use of a wide variety of disciplines from managers to planners, to designers, to contractors and to managers.
2. Delivery of the products requires extensive involvement with the private sector (consultants, contractors, citizen groups).

MY NAME IS E. W. "PETE" CASPER, I AM A RESIDENT OF ANCHORAGE AND I AM A VICE PRESIDENT AND ALASKA MANAGER FOR GREEN CONSTRUCTION COMPANY. - HOWEVER, I AM HERE TODAY REPRESENTING THE ALASKA CHAPTER OF THE ASSOCIATED GENERAL CONTRACTORS OF WHICH I AM THE CURRENT PRESIDENT, IN RESPECT TO OUR POSITION ON SENATE COMMITTEE SUBSTITUTE FOR H.B. 63.

I AM SPEAKING FOR A MAJORITY OF OUR MEMBERS.. THE INDIVIDUAL CONTRACTORS WHO HAVE AN OPPOSITE VIEW WILL APPEAR THEMSELVES, OR CONTACT YOU BY LETTER.

TWO WEEKS AGO YESTERDAY AT A SPECIAL BOARD OF DIRECTORS MEETING, OUR ASSOCIATION ADOPTED A MOTION WHICH SIMPLY STATES THAT "THE ALASKA AGC IS OPPOSED TO THE DEPARTMENT OF TRANSPORTATION BILL AS WRITTEN."

WE ARE NOT OPPOSED TO A DEPARTMENT OF TRANSPORTATION BILL PER SE. APPROXIMATELY 1/2 OF THE STATES NOW HAVE A D.O.T. WHICH IN ALMOST EVERY CASE HAS MERGED THE HIGHWAY, AVIATION AND MASS TRANSIT ACTIVITIES INTO ONE DEPARTMENT. MOST OF US HAVE LONG FELT THAT SOME FORM OF CONSOLIDATION IS IN ORDER, MOST PARTICULARLY BETWEEN HIGHWAYS AND AVIATION, WHERE ENGINEERING DISCIPLINES AND MAINTENANCE OPERATIONS ARE VERY SIMILAR.

OUR OPPOSITION TO THE BILL IS BASED UPON OUR OPINION THAT IT CONTAINS FEATURES THAT WILL MAKE OPERATION OF THE HIGHWAY PROGRAM SO CUMBERSOME THAT IT WILL BE ALMOST IMPOSSIBLE TO CARRY ON A CONSTRUCTIVE PROGRAM OF DEVELOPING ALASKA'S TRANSPORTATION FACILITIES - FACILITIES

WHICH ALASKA WITH ITS VAST AREA SORELY NEEDS.

THERE ARE TWO FEATURES OF THE BILL THAT ARE BOTHERSOME TO US: ONE, THE COMPLEX LAYERS OF ADVISORY BOARDS, AND SECOND, THE SEPARATION OF THE DESIGN AND CONSTRUCT FUNCTIONS TO THE PUBLIC WORKS DEPARTMENT.

COSTS OF ROAD AND AIRPORT BUILDING IS EXPENSIVE IN ALASKA. FOR THIS REASON THE NUMBER OF MILES OF NEW ROADS OR OF AIRPORTS CONSTRUCTED EACH YEAR IS GOING TO BE RELATIVELY SMALL. IT SHOULD NOT CALL FOR BIG ADVISORY BOARDS THROUGHOUT THE STATE TO GAIN ALASKA PUBLIC INPUT. THE CURRENT REQUIREMENTS FOR PUBLIC HEARINGS AND IMPACT STATEMENTS IS MORE THAN ENOUGH TO COVER THIS ASPECT. A COMPLEX PATTERN OF REGIONAL ADVISORY BOARDS DEVELOPED AT THIS TIME WILL CAUSE FRICTION, CHAOS AND DEVLEOP NOTHING BUT DIALOGUE AND MORE DIALOGUE - WHILE THE PER DIEM EXPENSE GOES ON AND ON, COUPLED WITH THE LACK OF "GO AHEAD" DECISIONS AND PLANNING.

BECAUSE ALASKA IS VERY MUCH A WILDERNESS AREA, OVER-ALL TRANSPORTATION IS VITAL TO ITS GROWTH. HOWEVER, THE DECISION SHOULD COME FROM THE LEGISLATORS REPRESENTING THE WISHES OF THE PEOPLE IN THAT PARTICULAR AREA, WHETHER IT BE AN AIRPORT OR A ROAD. SCS-HB 63 GIVES THE DIRECTOR OF TRANSPORTATION AND THE GOVERNOR SUPER POWER OVER THE WISHES AND MANDATES OF THE LEGISLATORS. WE FEEL A BETTER APPROACH WOULD BE A SECTION 26-TYPE OF A TRANSPORTATION COMMISSION OR A TRANSPORATION COMMITTEE, MADE UP OF AREA REPRESENTATION BY LEGILATORS WHO COULD HELP PROGRAM THE FIVE-YEAR DEVELOPMENT PLAN. IF THIS WERE DONE IN COOPERATION WITH THE PROFESSIONAL

ENGINEERS, PLUS PEOPLE IN THE GOVERNOR'S OFFICE, IT COULD PROBABLY CUT DOWN MUCH FRICTION THAT MIGHT DEVELOP OTHERWISE.

THE SEPARATION OF THE DESIGN AND CONSTRUCTION FUNCTIONS TO DIFFERENT DEPARTMENTS IS OF EVEN MORE CONCERN TO OUR INDUSTRY. BECAUSE SO MUCH OF OUR HIGHWAY AND AIRPORT PROGRAM IS INVOLVED IN FEDERAL MONIES, WE THINK THAT ANY NEW PROGRAM SHOULD BE THOROUGHLY SCRUTINIZED BY THE RESPONSIBLE FEDERAL PEOPLE. THE STATE AND FEDERAL INTER-RELATIONSHIP BETWEEN PLANNING, FINANCING, DESIGNING, CONTRACTING, CONSTRUCTION, PAYMENT, AND AUDIT ARE THE BACKBONE OF THE FEDERAL DOLLARS THAT MAKE UP THE ALASKA HIGHWAY AND AVIATION YEARLY PROGRAMS.

WE HAVE YET TO FIND ANY STATE OR FEDERAL OFFICIAL WHO HAS BEEN ABLE TO SATISFACTORILY EXPLAIN TO US HOW THE MECHANICS OF THIS INTER-RELATIONSHIP IS GOING TO WORK WITH TWO OF THE MOST IMPORTANT FUNCTIONS OF OPERATION BEING PASSED ON TO A 3RD PARTY. IT CAN ONLY ADD ANOTHER LAYER OF BUREAUCRACY WHICH WILL CAUSE GREATER DELAYS IN ARRIVING AT DECISIONS AND IN THE SOLUTION OF UNEXPECTED PROBLEMS, AND, IN ALL PROBABILITY, WILL LEAD TO GREATER INTER-AGENCY FRICTION.

THIS WILL WORK TO A DETRIMENT TO US, THE CONTRACTOR, AND LIKEWISE TO THE GENERAL PUBLIC AS PROJECTS ARE DELAYED, CONSTRUCTION DETOURS ARE PROLONGED AND COSTS ARE ESCALATED.

A FURTHER POTENTIAL PROBLEM IS THE POSSIBILITY THAT THE EXISTING BILL MAY NOT BE DEEMED LEGAL UNDER TITLE 23, SECTION 302(A) OF THE

U.S. CODE WHICH STATES: "ANY STATE DESIRING TO AVAIL ITSELF OF THE PROVISIONS OF THIS TITLE SHALL HAVE A STATE HIGHWAY DEPARTMENT WHICH SHALL HAVE ADEQUATE POWERS AND BE SUITABLY EQUIPPED AND ORGANIZED TO DISCHARGE TO THE SATISFACTION OF THE SECRETARY THE DUTIES REQUIRED BY THIS TITLE."

WE WOULD LIKE TO POINT OUT THAT NO OTHER STATE DEPARTMENT OF TRANSPORTATION OR STATE HIGHWAY DEPARTMENT SEPARATES ANY OF ITS HIGHWAY FUNCTIONS. THIS FACT TENDS TO DEMONSTRATE THAT THERE CANNOT BE ANY GREAT FAULT WITH THIS SYSTEM.

TO US, IT SEEMS TOO BIG A RISK FOR ALASKA, WHICH IS FAR MORE DEPENDENT ON FEDERAL AID THAN ANY OTHER STATE, TO PIONEER SUCH A RADICAL DEPARTURE FROM PROVEN PROCEDURE, A DEPARTURE THAT COULD PUT THE FEDERAL MATCHING FUNDS IN JEOPARDY.

WE WOULD LIKE TO POINT OUT THAT GOVERNOR EGAN IN 1961 BY EXECUTIVE ORDER MOVED THE THEN DIVISION OF HIGHWAYS FROM THE DEPARTMENT OF PUBLIC WORKS TO A FULL DEPARTMENT STATUS FOR THE PURPOSE OF IMPROVING THE FLOW OF COMMUNICATION BETWEEN THE DEPARTMENT AND FEDERAL BUREAU OF PUBLIC ROADS.

THOSE OF US WHO HAVE WITNESSED THE GROWTH OF THE DEPARTMENT OF HIGHWAYS AND THE DIVISION OF AVIATION WILL REMEMBER THE CONFUSION AND CHAOS THAT EXISTED IN THE EARLY AND MID '60s.

SINCE THEN, THE DEPARTMENTS HAVE BEEN ABLE TO ATTRACT MANY QUALIFIED PROFESSIONAL ENGINEERS, AND AT THIS POINT IN TIME, THE DEPARTMENTS ARE CONSIDERED BY CONTRACTORS AS BEING AMONG THE MOST STABLE CONTRACTING AGENCIES.

COMMENTS HAVE BEEN MADE THAT ENGINEERING AND DESIGN COSTS ARE TOO HIGH ON SOME PROJECTS. THIS COULD WELL BE AND WE WOULD RECOMMEND SOME OF THE OVERHEAD BE CUT BY CONTRACTING OUT PEAK LOADS OF ENGINEERING TO PRIVATE FIRMS.

WE BELIEVE THAT NO BILL IS BETTER THAN THE CURRENT BILL AND THAT A GOOD COMMISSIONER CAN STREAMLINE THE DEPARTMENT AND MAKE IT MORE RESPONSIVE TO THE LEGISLATURE AND THE PUBLIC. IT IS A FACT THAT QUALITY LEADERSHIP IS THE ANSWER TO AN EFFICIENT OPERATION, BE IT IN GOVERNMENT OR THE PRIVATE SECTOR.

ON BEHALF OF THE ALASKA AGC, I WISH TO EXPRESS OUR APPRECIATION FOR THE OPPORTUNITY TO PRESENT OUR OPINION TO THE COMMITTEE.



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Pro Ag. e

Lon McDermott
President

Lon R. McDermott

Testimony on State of Alaska Senate C.S. for House Bill No. 63
Presented to the Senate Commerce Committee March 22, 1976

Subject: An Act relating to the organization of transportation related functions; creating the Department of Transportation and providing for an effective date.

Mr. Chairman and members of the Senate Commerce Committee:

My name is Lon McDermott. I am a citizen of the State of Alaska and reside at 390 Hamilton Avenue, Fairbanks, Alaska. I am employed as President of Alaska International Construction Co., which is a wholly owned subsidiary of Alaska International Industries. Our offices are located in Fairbanks, Alaska and our firm is licensed and does perform construction contracts throughout the State of Alaska, both as a prime contractor and in joint ventures with other Alaskan corporations. In the performance of projects I have become familiar with the present organizational structure of the State of Alaska departments that are responsible for the various phases of transportation related construction.

A.I.C. is a member firm of the Alaska Chapter of the Associated General Contractors of America and I am privileged to serve as a member of the Alaska Chapter Board of Directors and as a Vice President of the chapter. I am also an A.G.C. national committee member of the American Association of State Highway Officials-A.G.C. National Joint Cooperative Committee.

My career encompasses twenty-four years of active engagement in the construction industry, the last five of which have been in Alaska.

My purpose in appearing before this committee today is to present testimony on the proposed legislation creating a Department of Transportation for the State of Alaska.

I have thoroughly read Senate Committee substitute for House Bill No. 63 and I am of the firm opinion that its adoption by the Alaskan Legislature would be a positive action beneficial to the people of the State of Alaska and to the construction industry.

The legislation as written should provide for a more efficient, better planned and more economical utilization of State and Federal transportation funds.



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The consolidation of planning inherent in the legislation should eliminate many of the past sequential construction errors and their resultant losses in time, money and utilization of highways, airports and related facilities due to the lack of such sequential planning.

With all of the planning for State transportation embodied in one agency, guided by regional transportation advisory boards, rather than the divided responsibility we presently have, it is apparent to me that the opportunity of developing, planning and constructing of transportation projects that may be utilized free from the disruption or inconvenience caused by piecemeal construction in a particular area, by separate agencies, administering separate uncoordinated projects, is a very real and important benefit to be derived from this legislation.

I should certainly hope and expect that central planning, guided by the input provided by the regional transportation advisory boards, would eliminate such occurrences as construction of highways, followed shortly thereafter by the construction of underground utilities, or the paving of an airport by one agency at some location in the State while plans for improvements to the highway connecting that airport to the city or village it serves remain to be accomplished several years later.

At the same time the consolidation of design and construction within one agency for all modes of transportation within the State should provide for more uniform construction specifications and inspection and the resultant cost savings such uniformity would provide.

The ability of the State to utilize design and construction personnel between the various major types of transportation facilities, such as highways and airports, would obviously effect cost savings.

The ability of contractors to standardize on equipment needed to meet basically one set of construction specifications rather than several also would result in cost savings, both to the contractor and the State.

The maintenance of transportation facilities, again primarily highways and airports, presently is the source of much duplication both in manpower and equipment. This legislation would eliminate that duplication and therefore reduce costs to the State.

The present system is devoid of the check and balance features that the legislation before you provides. Presently for example, the highway department may decide to build a project. It prepares the plans, holds public hearings, advertises for bids, selects a contractor, administers the construction contract, accepts the work and then maintains the facility constructed. In many and probably most instances the project is needed,



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is well planned, is adequately designed, well constructed and well maintained. It is however done in one single department which limits input and could cause the overlooking of relevant factors.

The D.O.T. concept however provides the mechanisms to assure that not only many or probably most but that all projects completely conform to the needs and wants of the communities, citizens and businesses directly involved in the area for which the project is constructed.

The Regional Transportation Advisory Board would input its knowledge of regional transportation needs directly to the D.O.T. The D.O.T. would evaluate those needs, perform feasibility and cost studies and determine the long range intermodal effect of the individual project, and its relationship to other planned facilities such as utilities, state buildings, schools and local business development.

Once the feasibility of the programed project is determined the D.O.T. would give notice of the proposed project to the residents and the effected local government authority. Public hearings could be requested by the community affected.

If the Regional Transportation Advisory Board is competent in its recognition of local transportation needs much of the delays presently encountered, due to the public and communities involved being contacted after much time and effort has already been expended in design of proposed projects, could be eliminated.

A further condition of check and balance is provided once the D.O.T. program plans are turned over to the Department of Public Works for design and construction. Should the D.O.T. or the local Transportation Advisory Committee have overlooked or been unaware of salient factors involved in design or construction of the proposed facility, the review of the Department of Public Works design and construction personnel should isolate those problems before they become serious and costly.

Upon the completion of the design and construction phase and once the Department of Public Works is ready to turn the project over to the D.O.T. for use and maintenance, the D.O.T. is then in a position to ascertain that the facility is indeed constructed to effect the desired improvement.

All in all the proposed legislation provides for closer local input, a more thorough evaluation and design and yet a speedier method of getting the projects constructed and into use.



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I should like to suggest a few minor additions and deletions to the legislation, as presently written, for your consideration:

1. On page three, Section 44.42.030 DUTIES OF DEPARTMENT OF PUBLIC WORKS: TRANSPORTATION FACILITIES. On Line 14 after the word periods I suggest a comma be inserted and the following language added "and until all construction related contractual matters are complete."

The purpose of this language would be to keep the Department of Public Works involved with the project should completion of change orders, claims, disputes on legal matters are not concluded prior to the expiration of any guaranty or warranty periods.

2. On page four, Section 44.42.050 DEPARTMENTAL ORGANIZATION: ADVISORY BOARDS. Paragraph (b), line eight.

It is my opinion that the legislation should spell out the number of members comprising the Regional Transportation Boards. I would suggest that such boards have not less than five nor more than eleven members.

3. On page five, Section 44.42.050 DEPARTMENTAL ORGANIZATION: ADVISORY BOARDS. Paragraph (e)

I believe this paragraph should provide for a minimum number of annual meetings of the Regional Advisory Board.

4. On page eight, Section 44.42.080 PUBLIC HEARINGS AND SURVEYS. Paragraph (i), line four.

I suggest a comma be inserted after the word "lines" and the following language added "as determined by the Commissioner."

5. On page nine, Section 44.42.100 LIMITATION OF TRANSPORTATION FACILITIES. Paragraph (b), line three.

I suggest that after the word "a" the following language be added "designated State, Federal or municipal."

6. On page 12, Section 19.05.035 DUTIES OF DEPARTMENT OF PUBLIC WORKS. Line two.

I suggest that after the word "construct," the following language be added "and administrate contracts."