

LEG. FINANCE - BILLS 1985 - 1986 2346

HB 133

2346

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB133 (Fin)
 Title: An Act relating to trans-
 safety and financial responsibility
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. Commerce & Ec. Devel.
 Program Category Affected: Consumer Pro-
 tection
 BRU, Program or Subprogram(s) Affected:
Measurement Standards

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-				
CAPITAL						
REVENUE	-0-	110.1				

FUNDING: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
FULL-TIME	-0-	-0-				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

see attachment

Prepared By: HFC Subcommittee on CSHB 133 Phone: 465-3709
 Division: _____ Date: _____

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

FISCAL DETAIL

Bill/Resolution No.: CSHB133 (Fin) Agency Affected: Dept. Commerce & Ec. Devel.
 Title: An Act relating to trans. Program Category Affected: Consumer Pro-
 safety and financial responsibility tection
 Sponsor: _____ BRU, Program or Subprogram(s) Affected: _____
 Requestor: _____ Measurement Standards _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
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TOTAL OPERATING	-0-	-0-				

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE	-0-	110.1				
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

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7/1/84

Analysis

House Finance Subcommittee Analysis:

No additional General Funds are authorized to implement the duties required of the Division of Measurement Standards by this bill.

The Division of Measurement Standards currently has 39 permanent full-time positions and 9 permanent part-time positions.

The original fiscal note for HB 133, prepared by the Department, estimated 1986 cost to implement the provisions of the bill at \$110.1. Specifically, the Division will be responsible under this bill for receiving the carriers' proof of insurance and proof of FAA certification then issuing a certification that the carrier has complied with this section. It is estimated that between 225 and 250 intra-state carriers will be affected by this bill. The Division's operating budget is sufficient to absorb the additional cost.

Page 2 paragraph (f), line 18 requires the department to charge and collect fees necessary to implement this section. In accordance with this section, the department will collect costs incurred in connection with this program from the air carriers affected (estimated by the department at \$110.1). This revenue will be deposited in the General Fund.

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
For
CSHB 133 (Finance)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

- 1) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
- 2) if the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance; and
- 3) the effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities.



Al Adams, Chairman
House Finance Committee

Original sponsor: Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 133 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-
7 cial responsibility; and providing for an effective
8 date."

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

10 * Section 1. AS 42.30.200(a) is amended to read:

11 (a) Except as provided in AS 42.30.300 - 42.30.310, a [A] person
12 who carries passengers or freight for hire intrastate shall procure
13 and maintain security in an amount determined by the Department of
14 Public Safety as necessary for the reasonable protection of the public
15 against damages or injury caused by the person.

16 * Sec. 2. AS 42.30 is amended by adding new sections to read:

17 Sec. 42.30.300. AIR CARRIER FINANCIAL RESPONSIBILITY. (a) A
18 person who uses an aircraft in air commerce shall procure and maintain
19 security in an amount determined by the department as necessary for
20 the reasonable protection of the public against damages or injury
21 caused by the person, except that the amount determined by the
22 department may not be less than

23 (1) \$100,000 per seat for bodily injury or death in a
24 single occurrence; and

25 (2) \$25,000 for property damage in a single occurrence.

26 (b) Evidence of security required under (a) of this section must
27 be

28 (1) a policy or certificate of insurance issued by an
29 insurer acceptable to the department;

1 (2) a bond of a surety company licensed to write surety
2 bonds in the state;

3 (3) evidence accepted by the department, showing ability to
4 self-insure; or

5 (4) other security approved by the department.

6 (c) The department may authorize department personnel to enforce
7 this section and may adopt regulations necessary to implement this
8 section.

9 (d) A policy of insurance, a surety bond, or other form of
10 security submitted as proof of financial responsibility under AS 42.-
11 30.310(a)(1) may not be cancelled on less than 30 days' written notice
12 to the department. This requirement must be clearly stated in the
13 policy, endorsement, or bond agreement. The 30-day notice period is
14 measured from the date on which the department receives notice.

15 (e) A person who violates (a) of this section is guilty of a
16 class A misdemeanor and is punishable by a fine of not less than
17 \$1,000 or more than \$5,000.

18 (f) The department shall charge and collect fees necessary to
19 implement this section.

20 Sec. 42.30.310. CERTIFICATION OF COMPLIANCE. (a) A person may
21 not use an aircraft in air commerce before obtaining a certificate of
22 compliance for that aircraft. The department shall issue a certifi-
23 cate of compliance upon application and presentation of

24 (1) proof of financial responsibility required under
25 AS 42.30.300;

26 (2) proof of compliance with Federal Aviation Administra-
27 tion requirements, and, where applicable, federal certification for
28 scheduled airline service.

29 (b) A person who receives a certificate of compliance under (a)

1 of this section shall renew the certificate annually.

2 (c) Each aircraft owned or leased by a person subject to the
3 provisions of this section must have a certificate of compliance
4 issued by the department before the aircraft is used in air commerce.
5 The certificate is valid for a period of 12 months following the date
6 of certification.

7 (d) The department may authorize department personnel to enforce
8 this section and may adopt regulations necessary to implement this
9 section.

10 Sec. 42.30.390. DEFINITIONS. In AS 42.30.200 - 42.30.390,

11 (1) "air commerce" means carriage by aircraft of persons or
12 freight, for compensation or hire, in intrastate commerce, including
13 the carriage by aircraft of persons or freight that move partly by
14 aircraft and partly by other forms of transportation;

15 (2) "aircraft" means a propeller or jet-powered device used
16 or designed for flight in the air;

17 (3) "department" means the Department of Commerce and
18 Economic Development;

19 (4) "freight" means all commodities, articles, and cargo of
20 whatever nature or value, excluding garbage and trash.

21 * Sec. 3. AS 44.33.020 is amended by adding a new paragraph to read:

22 (27) implement the financial responsibility requirements for
23 air carriers under AS 42.30.200 - 42.30.390.

24 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
25 10.070(c).
26
27
28
29

Original sponsor: Rules/Governor

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BY THE FINANCE COMMITTEE

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Finance Committee
Oil and Gas Committee

Alaska State Legislature

House of Representatives

Representative Mike Szymanski

11920 Johns Road
Anchorage, Alaska 99515
Phone (907) 349-3373

While in Session:
Pouch V
State Capitol

Juneau, Alaska 99811
(907) 465-4978/4979

TO: Representative Al Adams
Chairman, House Finance Committee

FROM: Representative Mike Szymanski

SUBJECT: SUBCOMMITTEE RECOMMENDATION - PROPOSED LETTER OF
INTENT

The House Finance Subcommittee on CSHB 133 has considered the attached letter of intent as proposed by the Air Carriers Association and recommends that it not be included with CSHB 133.

This letter requests that a legislative study be conducted to determine the economic effects of deregulation on the air industry and if there are steps which the Legislature should address in this regard. The Subcommittee's position is that the voters overwhelmingly decided to deregulate the air industry and so the issue is moot: we do not wish to recreate a situation which was just eliminated.

Further, the letter of intent requests that the study determine the degree to which safety regulations and training ought to be incorporated as requirements for a certificate of compliance. The subcommittee, while certainly committed to protecting the public welfare feels that the present FAA safety provisions which apply to intrastate air commerce are sufficient as they now exist: With no indication to the contrary, it again seems an unwarranted action.

(THE AIR CARRIERS ASSOCIATION HAS REQUESTED THAT THE FOLLOWING LETTER OF INTENT BE INCLUDED WITH THE LEGISLATION)

LETTER OF INTENT

FOR

CSHB 133 (FINANCE)

It is the intent of the Legislature that a study be undertaken by legislative staff to, determine:

- 1) the effects of deregulation on air transportation to the bush, and what measures, if any, the Legislature ought to address in order to ensure a minimally acceptable level of service to those areas of the state;
- 2) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program; and
- 3) if the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance
- 4) the effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities.



Finance Committee
Oil and Gas Committee

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Representative Mike Szymanski

11920 Johns Road
Anchorage, Alaska 99515
Phone (907) 349-3373

While in Session:
Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4978/4979

March 11, 1985

TO: Representative Al Adams
Chairman, House Finance Committee

FROM: House Finance Subcommittee on HB 133
Chairman - Representative Mike Szymanski

SUBJECT: Subcommittee Report

On behalf of the Finance Subcommittee on CSHB 133 (Transportation), I am submitting the draft committee substitute which we recommend be adopted by the full committee.

BILL ANALYSIS

The Transportation Committee Substitute for CSHB 133 set out in statute insurance limits for air carriers and motor carriers and a vehicle inspection program for motor carriers. The proposed Finance Committee substitute deals ONLY with insurance provisions and certificates of compliance for commercial air carriers who operate solely intrastate, thus deleting all provisions for motor carrier insurance and safety and vehicle inspections.

(NOTE: the language in Section 1 which refers to Motor carriers and which is essentially the language found in the ballot initiative has been retained to ensure that the constitutional requirements of the legislation are met.)

The decision to limit the legislation to air carriers was made for several reasons. In considering the legislation, there were many different suggestions on what to do with a vehicle safety program. Questions came up as to whether there should be such a program, whether it was dealt with adequately in the initiative, to what degree the public asked the Legislature to mandate a safety inspection program for vehicles, and, if so, to what extent should a program go to protect the public welfare. It appeared that there were several areas of concern which remained to be addressed and which would take time to resolve.

Since air carriers have a mandated safety inspection program through the Federal Aviation Authority, these concerns would not affect them and it was thus thought to amend the bill so that it would deal solely with the insurance aspects of the intrastate air carriers and with the recommendation that motor carrier insurance and safety be dealt with in depth in another bill.

In addition to the above change from the Transportation Committee substitute, and in addition to some "clean-up" language, there are several other major areas of difference between this proposed Finance Committee substitute and the Transportation Committee substitute:

FINANCIAL RESPONSIBILITY

1. This draft would require intrastate commercial air carriers, both scheduled and non-scheduled to carry liability insurance at levels determined by Department of Commerce regulation. (The Transportation Committee substitute established the rates in statute).

2. This draft requires a minimum of \$100,000 per seat for liability and \$25,000 for property damage. These levels are those that were established by the Alaska Transportation Commission (The Transportation Committee substitute mandated considerably higher rates. The rationale behind the minimum was that it was unknown what the impact of higher rates would be on air carriers and on the insurance industry).

3. The Finance draft specifies that failure to carry the proper insurance is considered a Class A misdemeanor, punishable by a fine of not less than \$1,000 and not more than \$5,000 (This penalty was originally a Class B misdemeanor in the Transportation version). The higher fine is more in line with the average yearly insurance rates and it was thought that it would be more likely that air carriers would comply with the law.

4. A new subsection mandates the Department of Commerce to charge the fees that will be necessary to implement the section. The intent here is for the revenues to cancel out any cost to the State so that there is zero fiscal impact.

CERTIFICATE OF COMPLIANCE

5. This draft eliminates the requirement that interstate carriers register with the state for a certificate of compliance. It was felt that there was no need for this registration, since interstate carriers are required by federal law to carry the insurance.

6. The requirement that the certificate of compliance be displayed on the aircraft was deleted because it was felt that it was unnecessary and provided no practical public benefit.

FISCAL NOTE(see attached fiscal note analysis):

ADDITIONAL RECOMMENDATIONS AND CONCERNS

-- It is recommended by the Subcommittee that the House Transportation Committee consider a new bill which would deal with motor carrier insurance provisions and a motor carrier safety inspection program.

--In considering the safety provisions for motor carriers, the subcommittee would recommend that the following areas of concern be addressed:

1. the definition of commercial motor carrier to include all vehicles over a certain weight limit, somewhere between 10,000-15,000 lbs.
2. The need for quarterly or semi-annual vehicle inspections.
3. The need for state public safety inspectors rather than privately certified or in-house mechanics, to avoid any possibility of collusion.
4. The need for any such vehicle inspection program to be paid for by levying fees on the appropriate persons.
5. A consideration of the need for a special commercial vehicle operators license. It is recommended that the State of California licensing procedures be examined; it is our understanding that a written test is administered for a certain class of vehicles up to 15,000 pounds and above this, a written and practical test is required. Any special vehicle operators license should take into account the unique weather and road conditions in Alaska.

It may be reasonable to adopt the State of California's vehicle safety program which is considered to be quite stringent.

6. It is recommended that the Legislature obtain valid statistical information which would validate how many accidents have been caused by driver error or by mechanical failure
7. Consideration of the safety factor involved with the use of truck lift axles.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 7, 1985

REQUEST

Bill/Resolution No.: CSHB 133 (FIN)
 Title: An Act relating to transportation safety and financial responsibility.
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
 Program Category Affected: Consumer Protection
 BRU, Program or Subprogram(s) Affected: Measurement Standards

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	19.6	81.6				
200 TRAVEL	4.0	15.0				
300 CONTRACTUAL	3.0	12.0				
400 SUPPLIES	.4	1.5				
500 EQUIPMENT	5.0					
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	32.0	110.1				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	32.0	110.1				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	2	2				
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Joseph L. Swanson, Director Phone: 345-7750
 Division: Measurement Standards Date: 3/7/85
 Approved by Commissioner: Loren H. Lounsbury Date: 3/7/85
 Agency: Commerce and Economic Development

- Distribution (by Agency preparing fiscal note):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)

7/1/84

116 122

1.	POSITION TITLE INSPECTOR IV				RANGE/STEP 18A	ORG. UNIT S	PAGE/LINE	GOV.	APPROV.	DISA'Y.
2.	TYPE OF POSITION PFT	STAFF MONTHS 3	RP NUMBER	PCI NUMBER	BRU PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	ADDITION <input checked="" type="checkbox"/>									
5.	PERSONAL SERVICES									
	Type of Expense		Amount							
	1		2							
	3									
5.	Salary		9,102.0							
6.	Benefits		1,422.5							
7.	Supplemental Benefits		558.0							
8.	Fixed Benefits		697.2							
9.	TOTAL PERSONAL SERVICES			11,780.0						
10.	Travel			4,000.0						
11.	Contractual			3,000.0						
12.	Commodities			400.0						
13.	Equipment			5,000.0						
14.	Other									
15.	TOTAL COST			24,180.0						
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.		C.F. Hatch 1003								
19.		General Funds 1004		24,180.0						
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
		Other								

This position will function as the field investigator for the air carrier financial responsibility requirements. The duties will entail traveling to remote communities throughout the State to determine the level of compliance with statutory mandates and to investigate specific complaints, initiating corrective action as required.

A detailed knowledge of statutory requirements and enforcement options will be necessary. Additionally, the ability to establish and maintain cooperative working relationships with the regulated industries and other government agencies is mandatory.

FOR BSM USE ONLY
KEY NUMBER _____

REQUEST FOR
NEW POSITION

AGENCY Commerce and Economic Development
 PROGRAM Consumer Protection
 BRU Measurement Standards
 COMPONENT _____

Page _____ of _____
 Revised Date _____

FY 86

1.	POSITION TITLE ADMINISTRATIVE ASSISTANT I				GRADE/STEP 12A	DEPT. UNIT G	PAGE/LINE	COY.	APPROV.	DISAP.		
2.	TYPE OF POSITION PFT	STAFF MONTHS 3	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	CCG.				
3.	CONTINUATION LEVEL				JUSTIFICATION							
4.	TYPE OF EXEMPTION				<p>This position will function as the administrative contact person for the air carrier financial responsibility requirements. As such, this individual will ensure adherence to established procedures and will be responsible for monitoring the results produced and collect data and prepare reports for management's use. It will be essential to be aware of industry needs and make recommendations for improved procedures to achieve the stated goals and objectives in an efficient and cost effective manner.</p> <p>As the initial contact person for industry, a great deal of judgment and tact will have to be exercised to achieve the desired results with minimum disruption of the affected agencies.</p> <p>This individual will collect all required fees and issue certificates of compliance and will maintain all manual and automated records and reporting systems for the program.</p>							
5.	PERSONAL SERVICES		1	2							3	
5.	Salary		5,919.0									
6.	Benefits		925.0									
7.	Supplemental Benefits		363.0									
8.	Fringe Benefits		658.0									
9.	TOTAL PERSONAL SERVICES			01							7,865.0	
10.	Travel			02								
11.	Contractual			03								
12.	Commodities			04								
13.	Equipment			05								
14.	Other											
15.	TOTAL COST											
16.	RECEIPT CODE	FUNDING SOURCE										
17.		Federal Receipts	1002									
18.		C.F. Hatch	1003									
19.		General Funds	1004									
20.		I-A Receipts	1005	7,865.0								
21.		Program Receipts	1028									
21.		Other										

FOR BSM USE ONLY
KEY NUMBER _____

REQUEST FOR
NEW POSITION

AGENCY Commerce and Economic Development
 PROGRAM Consumer Protection
 BRU Measurement Standards
 COMPONENT _____

Page _____ of _____
 Revised Date _____

FY 86

1.	POSITION TITLE INSPECTOR IV				RANGE/STEP 18A	ORG. UNIT S	PAGE/LINE	COV.	APPROV.	DISAP.						
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	ORG PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	CCG.								
3.	CONTINUATION LEVEL <input checked="" type="checkbox"/> ADDITION				JUSTIFICATION											
4.	TYPE OF EXPENDITURE			AMOUNT							<p>This position will function as the field investigator for the air carrier financial responsibility requirements. The duties will entail traveling to remote communities throughout the State to determine the level of compliance with statutory mandates and to investigate specific complaints, initiating corrective action as required.</p> <p>A detailed knowledge of statutory requirements and enforcement options will be necessary. Additionally, the ability to establish and maintain cooperative working relationships with the regulated industries and other government agencies is mandatory.</p>					
	1	2	3													
	PERSONAL SERVICES															
5.	Salary		37,680.0													
6.	Benefits		5,889.0													
7.	Supplemental Benefits		2,310.0													
8.	Fixed Benefits		2,789.0													
9.	TOTAL PERSONAL SERVICES	01		48,667.0												
10.	Travel	02		15,000.0												
11.	Contractual	03		12,000.0												
12.	Commodities	04		1,500.0												
13.	Equipment	05														
14.	Other															
15.	TOTAL COST			77,167.0												
	RECEIPT CODE	FUNDING SOURCE														
16.		Federal Receipts 1002														
17.		C.F. Hatch 1003														
18.		General Funds 1004														
19.		I-A Receipts 1005		77,167.0												
20.		Program Receipts 1028														
21.		Other														
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REQUEST FOR
NEW POSITION

AGENCY Commerce and Economic Development

PROGRAM Consumer Protection

BRU Measurement Standards

COMPONENT _____

Page of

Revised Date _____

FY 86

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2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	CCG.
3.	CONTINUATION LEVEL <input checked="" type="checkbox"/> ADDITION			JUSTIFICATION				
4.	TYPE OF EMPLOYMENT			APPROX.				
	1			2				
	PERSONNEL SERVICES			3				
5.	Salary	24,864.0						
6.	Benefits	3,886.0						
7.	Supplemental Benefits	1,524.0						
8.	Fixed Benefits	2,630.0						
9.	TOTAL PERSONAL SERVICES	01		32,904.0				
10.	Travel	02						
11.	Contractual	03						
12.	Commodities	04						
13.	Equipment	05						
14.	Other							
15.	TOTAL COST							
	RECEIPT CODE	FUNDING SOURCE						
16.		Federal Receipts 1002						
17.		C.F. Hatch 1003						
18.		General Funds 1004						
19.		I-A Receipts 1005		32,904.0				
20.		Program Receipts 1028						
21.		Other						
FOR BSA USE ONLY KEY NUMBER _____								

This position will function as the administrative contact person for the air carrier financial responsibility requirements. As such, this individual will ensure adherence to established procedures and will be responsible for monitoring the results produced and collect data and prepare reports for management's use. It will be essential to be aware of industry needs and make recommendations for improved procedures to achieve the stated goals and objectives in an efficient and cost effective manner.

As the initial contact person for industry, a great deal of judgment and tact will have to be exercised to achieve the desired results with minimum disruption of the affected agencies.

This individual will collect all required fees and issue certificates of compliance and will maintain all manual and automated records and reporting systems for the program.

**REQUEST FOR
NEW POSITION**

AGENCY Commerce and Economic Development
 PROGRAM Consumer Protection
 BRU Measurement Standards
 COMPONENT _____

Page of
 Revised Date _____

FY 86

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 2

REQUEST

FISCAL DETAIL

Bill/Resolution No.: CSHB 133(Trsd) Agency Affected: Commerce & Econ. Dev.
 Title: An Act to regulate safety of motor carriers Program Category Affected: Public Safety
 Sponsor: Rules Committee BRU, Program or Subprogram(s) Affected: _____
 Requestor: Governor Division of Measurement Standards
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	128.5	338.5				
200 TRAVEL	10.0	30.0				
300 CONTRACTUAL	55.0	40.8				
400 SUPPLIES	2.5	3.5				
500 EQUIPMENT	15.0	8.0				
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
900 MISCELLANEOUS						
TOTAL OPERATING	211.0	420.8				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	211.0	420.8				
FEDERAL FUNDS						
OTHER						
TOTAL	211.0	420.8				

POSITIONS:

FULL-TIME						
PART-TIME	7	7				
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Joseph L. Swanson, Director
 Division: Measurement Standards

Phone: 345-7750
 Date: 2/19/85

Approved by Commissioner: Loren H. Lounsbury
 Agency: Commerce and Economic Development

Date: 2/19/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

FY '85

1.	POSITION TITLE ADMINISTRATIVE CENTER I				RANGE/STEP 17A	DEPT. UNIT S	PAGE/LINE	COV.	APPROV.	DISAP.	
2.	TYPE OF POSITION PFT	5	MONTHS 3	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION EBA	ELECTION DISTRICT 7	LEG.		
3.	CONTINUATION LEVEL				ADDITION	XX	JUSTIFICATION				
4.	TYPE OF EMPLOYMENT				<p>This position will be responsible for supervising the administrative center of the division which will include the new statewide financial responsibility and safety programs and incorporate the existing permit program for cross-utilization of personnel.</p> <p>The responsibilities will include drafting recommended procedures, monitories program activities, analyzing results, developing corrective procedures, and reporting results to the agency head.</p> <p>The position will be required to assist in the development of the regulations drafted to administer the programs and will supervise their implementation. The implementation will entail establishing and maintaining cooperative working relationship with the regulated industries, other governmental agencies, and our department. The position will also be responsible for developing and maintaining the information necessary to evaluate the results of the programs.</p>						
5.	PERSONAL SERVICES		1	2							3
5.	Salary		8,439								
6.	Benefits		985								
7.	Supplemental Benefits		517								
8.	Fixed Benefits		1,052								
9.	TOTAL PERSONAL SERVICES		01								11.0
10.	Travel		02								10.0
11.	Contractual		03								55.0
12.	Commodities		04								2.5
13.	Equipment		05								15.0
14.	Other										
15.	TOTAL COST										93.5
16.	RECEIPT CODE	FUNDING SOURCE									
17.		Federal Receipts 1002									
18.		C.F. Hatch 1003									
19.		General Funds 1004			93.5						
20.		I-A Receipts 1005									
21.		Program Receipts 1028									
		Other									

FOR BSN USE ONLY
KEY NUMBER _____

AGENCY Commerce & Economic Development

PROGRAM _____

BRU _____

COMPONENT _____

REQUEST FOR
NEW POSITION

CSHB 133 (2rap)

FY 86

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1.	POSITION TITLE WEIGH STATION OPERATOR I			
2.	TYPE OF POSITION PFT	STAFF MONTHS 40	RP NUMBER	PCN NUMBER
3.	CONTINUATION LEVEL: KA ADDITION			
4.	Type of Employment			Amount
	PERSONAL SERVICES			
5.	Salary		90,699	
6.	Benefits		11,547	
7.	Supplemental benefits		5,560	
8.	Fixed Benefits		11,722	
9.	TOTAL PERSONAL SERVICES		01	119.5
10.	Travel		02	-0-
11.	Contractual		03	-0-
12.	Commodities		04	-0-
13.	Equipment		05	-0-
14.	Other			
15.	TOTAL COST			119.5

RECEIPT CODE	FUNDING SOURCE	AMOUNT
16.	Federal Receipts 1002	
17.	C.F. Hatch 1003	
18.	General Funds 1004	119.5
19.	I-A Receipts 1005	
20.	Program Receipts 1028	
21.	Other	

FOR BSA USE ONLY
KEY NUMBER _____

GRADE/STEP 12	DAIG. UNIT G	PAGE/LINE	COV.	APPROV.	DISAP.
DRU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		

JUSTIFICATION
 This proposal entails changing the status of five existing positions from permanent part-time (seasonal) to permanent full-time.
 These seasonal positions are presently authorized for an average of four months each to operate the fixed weigh stations during the spring and summer peak truck traffic periods.
 We recommend changing the status of the positions to PFT in FY '85, but not funding the positions until FY '86. This will allow an appropriate amount of time to establish the safety program and initiate the procedures that will generate the workload for these positions.

The inspectors will be located as follows:

PCN	LOCATION
085074	Fairbanks
085078	Fairbanks
085079	Sterling
085080	Anchorage
08-5088	Anchorage

The inspectors will continue to operate the fixed weigh stations during peak traffic periods and will be used to monitor the motor vehicle safety program through field verification of inspection stations and inspection personnel.

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
 PROGRAM _____
 DRU _____
 COMPONENT _____

CSNB 133(2)ap **FY 86**
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 Revised Date _____

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 133
 Title: "...Public Safety to reg. safety of commerical vehicles..."
 Sponsor: Governor
 Requestor: House State Affairs
 Date of Request: 2-1-85

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: Public Protection
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles - Commercial Vehicle Safety

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		250.0	250.0	250.0	250.0	250.0
200 TRAVEL		3.0	3.2	3.4	3.6	3.8
300 CONTRACTUAL		66.0	53.6	56.3	59.1	62.1
400 SUPPLIES		7.0	7.4	7.8	8.2	8.6
500 EQUIPMENT		30.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		356.0	314.2	317.5	320.9	324.5
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		356.0	314.2	317.5	320.9	324.5
FEDERAL FUNDS						
OTHER						
TOTAL		356.0	314.2	317.5	320.9	324.5

POSITIONS:

FULL-TIME		6.0	6.0	6.0	6.0	6.0
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Marcia Lynn McKenzie
 Division: Administrative Services

Phone: 465-4349

Date: 1/22/85

Approved by Commissioner: Robert J. Sundberg
 Agency: Public Safety

Date: 1/22/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

COST ANALYSIS

The following costs are for administration of permitting, certification, bonding and insurance. These costs are in addition to the positions and funding included in the Governor's budget which are for vehicle safety inspections.

Personal Services \$250.0

1 Administrative Support Center Supervisor	Range 14
4 Administrative Support Technicians	Range 12
1 Accounting Technician I	Range 14

It is anticipated that the positions, located in Anchorage, will be transferred from the ATC component, along with needed office equipment (desks, chairs, etc.). Minimal overtime and negotiated one-time compensatory payments are included.

Travel 3.0

Contractual Services 66.0

Telephone, postage, etc.	\$25.0
Printing of applications, forms, advertisements, etc.	8.0
Space Lease	15.0
Maintenance on data/word processing equipment	1.3
Copier costs	3.0
Professional fees (Dept. of Law)	12.0
Risk Management	1.7

Supplies and Materials 7.0

Office and library supplies

Equipment 30.0

Data/word processors

TOTAL \$356.0

For FY 87, space lease costs are transferred to the Department of Administration. A five percent annual inflation adjustment is applied beginning in FY 87.

1.	POSITION TITLE Administrative Support Center Supervisor				RANGE/STEP 14/J	DARG. UNIT S	PAGE/LINE	COY.	APPROV.	DISAP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCN NUMBER 08-7011	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary									
6.	Benefits									
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES	01	47.3							
10.	Travel	02	3.0							
11.	Contractual	03	3.8							
12.	Commodities	04	1.0							
13.	Equipment	05								
14.	Other									
15.	TOTAL COST		55.1							
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.		G.F. Hatch 1003								
19.		General Funds 1004		55.1						
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
		Other								
FOR BSM USE ONLY KEY NUMBER _____										

This position is unit supervisor in a group of six positions to be transferred to the Department of Public Safety as a result of the disbanding of the Alaska Transportation Commission.

The unit consists of this position, four Administrative Support Technicians and one Accounting Technician II. The unit will be responsible for the administration of permitting, certification, bonding and insurance of commercial vehicles, including both motor and air carriers.

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 PROGRAM Life & Property Protection
 BRU Division of Motor Vehicles
 COMPONENT Commercial Vehicle Safety

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FY 86

1.	POSITION TITLE Accounting Technician II				RANGE/STEP 14/E	DARG. UNIT G	PAGE/LINE	COY.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCH NUMBER 08-7031	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position will provide the accounting support needed for the Commercial Vehicle Safety Unit transferred from the disbanding Alaska Transportation Commission. The position is one of a unit of six which will administer the permitting, certification, bonding and insurance of commercial vehicles, including both air and motor carriers.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary									
6.	Benefits									
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES	01		43.9						
10.	Travel	02								
11.	Contractual	03		3.8						
12.	Commodities	04		1.0						
13.	Equipment	05								
14.	Other									
15.	TOTAL COST			48.7						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		48.7						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR BSM USE ONLY KEY NUMBER _____										

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life & Property Protection
BRU Division of Motor Vehicles
COMPONENT Commercial Vehicle Safety

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1.	POSITION TITLE Administrative Support Technician IV			RANGE/STEP 12/K	BARG. UNIT G	PAGE/LINE	COV.	APPROV.	DISAP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCH NUMBER 08-7012	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL			ADDITION	JUSTIFICATION				
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position is one of four Administrative Support Technicians to be transferred from the disbanding Alaska Transportation Commission as part of an administrative unit. The six position unit will administer permitting, certification, bonding, and insurance of commercial vehicles, including both motor and air carriers.</p>				
	PERSONAL SERVICES								
5.	Salary								
6.	Benefits								
7.	Supplemental Benefits								
8.	Fixed Benefits								
9.	TOTAL PERSONAL SERVICES		01	42.5					
10.	Travel		02						
11.	Contractual		03	3.8					
12.	Commodities		04	1.0					
13.	Equipment		05						
14.	Other								
15.	TOTAL COST			47.3					
16.	RECEIPT CODE	FUNDING SOURCE							
17.		Federal Receipts 1002							
18.		G.F. Match 1003							
19.		General Funds 1004		47.3					
20.		I-A Receipts 1005							
21.		Program Receipts 1028							
		Other							
FOR BSM USE ONLY									
KEY NUMBER _____									

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life & Property Protection
BRU Division of Motor Vehicles
COMPONENT Commercial Vehicle Safety

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1.	POSITION TITLE Administrative Support Technician IV				RANGE/STEP 12/F	BARG. UNIT G	PAGE/LINE	COV.	APPROV.	DISAP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCH NUMBER 08-7015	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1			2		3				
	PERSONAL SERVICES									
5.	Salary									
6.	Benefits									
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES			01	39.5					
10.	Travel			02						
11.	Contractual			03	3.8					
12.	Commodities			04	1.0					
13.	Equipment			05						
14.	Other									
15.	TOTAL COST			44.3						
	RECEIPT CODE			FUNDING SOURCE						
16.				Federal Receipts 1002						
17.				G.F. Match 1003						
18.				General Funds 1004						
19.				I-A Receipts 1005						
20.				Program Receipts 1028						
21.				Other						
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> FOR BSM USE ONLY KEY NUMBER _____ </div>										

This position is one of four Administrative Support Technicians to be transferred from the disbanding Alaska Transportation Commission as part of an administrative unit. The six position unit will administer permitting, certification, bonding, and insurance of commercial vehicles, including both motor and air carriers.

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

PROGRAM Life & Property Protection

BRU Division of Motor Vehicles

COMPONENT Commercial Vehicle Safety

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Revised Date _____

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1.	POSITION TITLE Administrative Support Technician IV				RANGE/STEP 12/F	DARG. UNIT G	PAGE/LINE	COY.	APPROV.	DISAM.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCN NUMBER 08-7013	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position is one of four Administrative Support Technicians to be transferred from the disbanding Alaska Transportation Commission as part of an administrative unit. The six position unit will administer permitting, certification, bonding, and insurance of commercial vehicles, including both motor and air carriers.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary									
6.	Benefits									
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES			01						
10.	Travel			02						
11.	Contractual			03						
12.	Commodities			04						
13.	Equipment			05						
14.	Other									
15.	TOTAL COST			44.3						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		44.3						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								

FOR BSM USE ONLY
KEY NUMBER

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life & Property Protection
BRU Division of Motor Vehicles
COMPONENT Commercial Vehicle Safety

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Revised Date

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1.	POSITION TITLE Administrative Support Technician IV			RANGE/STEP 12/D	DARG. UNIT G	PAGE/LINE	COY.	APPROV.	DISAP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12.0	RP NUMBER	PCH NUMBER 08-7019	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL			JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT					
	1		2		3				
	PERSONAL SERVICES								
5.	Salary								
6.	Benefits								
7.	Supplemental Benefits								
8.	Fixed Benefits								
9.	TOTAL PERSONAL SERVICES		01		37.3				
10.	Travel		02						
11.	Contractual		03		3.8				
12.	Commodities		04		1.0				
13.	Equipment		05						
14.	Other								
15.	TOTAL COST				42.1				
	RECEIPT CODE		FUNDING SOURCE						
16.			Federal Receipts 1002						
17.			G.F. Match 1003						
18.			General Funds 1004		42.1				
19.			I-A Receipts 1005						
20.			Program Receipts 1028						
21.			Other						
FOR B2H USE ONLY									
KEY NUMBER _____									

This position is one of four Administrative Support Technicians to be transferred from the disbanding Alaska Transportation Commission as part of an administrative unit. The six position unit will administer permitting, certification, bonding, and insurance of commercial vehicles, including both motor and air carriers.

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life & Property Protection
BRU Division of Motor Vehicles
COMPONENT Commercial Vehicle Safety

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Revised Date _____

FY 86

SECTIONAL ANALYSIS CSHB 133 (TRANSPORTATION)

This legislation would place insurance provisions and safety provisions within the Department of Commerce. The first three pages of the bill deal with Insurance Provisions and the final portion of the legislation deals with Safety provisions

SECTION 1 A new section AS 42.30.200 was created by the initiative and this section amends the financial responsibility language of the initiative to include anyone carrying freight "for commercial purposes" and sets insurance levels at \$200,000 for property damage; \$500,000 for bodily injury or death for motor vehicles; and \$300,000 per seat for bodily injury or death for aircraft. The section then changes "enforcement officers" as stated in the initiative to "department personnel".

SECTION 2 amends AS 42.30.200 by adding language to the financial responsibility section to require 30 days notice of cancellation of a policy; sets a minimum fine of \$500 and a maximum of \$1000 for violation of this section; and applies the section to only certain size vehicles and certain kinds of aircraft.

SECTION 3 This section establishes a certificate of compliance program for aircraft used in air commerce. A certificate would be renewed annually and would be issued by the department if the applicant showed proof of financial responsibility and compliance with FAA requirements.

The section further requires the certificate to be displayed for boarding passengers to read, requires interstate carriers to obtain the certificate for aircraft used intrastate, and would allow the suspension or revocation of the certificate if the plane was used in commerce before the certificate was obtained.

ATC-authorized carriers who already have an ATC certificate of compliance are "grandfathered" in until the renewal dates on their insurance policies.

Section 3 establishes a Motor Vehicle Inspection Program in the Department of Commerce.

42.30.300 would require one inspection per year and a vehicle registration could be denied if the inspection has not been done. The Commissioner is allowed to adopt regulations to implement this section.

42.30.310 exempts U. S. Government vehicles

42.30.320 Provides for the permitting of the official inspection stations by the department if it is determined that the station has proper equipment, competent personnel, and a certified vehicle inspector on staff. The department may enter the premises at any time to inspect a vehicle inspectors work. It permits the department to suspend or revoke a permit. This section provides for appeal action by the permit-holder in the case of such revocation or suspension.

42.30.330 establishes a system for certifying vehicle inspectors, allows for suspension of certification and subsequent appeal by the vehicle inspector.

42.30.440 directs an inspector to issue a certificate of inspection provided it is deemed safe and to keep a record of inspections performed so that the department may audit the records at any time.

42.30.350 prohibits the false representation of an inspection station or issuing certificates of inspection without a valid permit.

42.30.360 prohibits the making or use of counterfeit certificates of inspection.

42.30.360 makes a violation of this section a Class B misdemeanor

SECTION 4 provides a later effective date of July 1, 1985 for the requirement in Section 1 that aircraft operators have \$300,000 per seat insurance. This will allow some of those operators to phase in from \$100,000 to the new minimum.

SECTION 5 adds to the duties of the commissioner the implementation of the financial responsibility requirements.

SECTION 6 provides for an immediate effective date.

CERTIFIED RESULTS *

BALLOT MEASURES

GENERAL ELECTION
November 2, 1984

	<u>VOTES CAST</u>	
	<u>YES</u>	<u>NO</u>
<u>BONDING PROPOSITION A</u>		
State Guaranteed Veterans Residential Mortgage Bonds \$7000,000,000	145,263	53,519
<u>BALLOT MEASURE NUMBER 1</u>		
Legislative Annulment of Administrative Regulations	91,174	98,856
<u>BALLOT MEASURE NUMBER 2</u>		
Limiting Length of Regular Legislative Sessions	151,001	46,102
<u>BALLOT MEASURE NUMBER 3</u>		
Reducing Government Regula- tion of Transportation	116,893	78,665

*This is the rough draft of the certified results from the Division of Elections. The final draft shall not be released until after the publication of the interim report.

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 25, 1985

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill authorizing the Department of Public Safety (DPS) to regulate the safety of motor carrier and air carrier operations. This bill amends AS 42.30.200, enacted by the Alaska Transportation Commission (ATC) initiative in the last general election, and creates several new sections in AS 42.30.

The intent of this legislation is to allow DPS to maintain an adequate level of safety requirements for commercial air and motor vehicle operations after the ATC's authority to do so is abolished. This is consistent with the portion of the initiative's statement of purpose that acknowledges that "other government agencies can insure safety standards while allowing persons to contract freely for services." The initiative has already authorized DPS to establish financial responsibility requirements and to enforce them. AS 42.30.200. This bill goes further by adding other sections to AS 42.30 to require registration of air and certain motor carriers and compliance with motor vehicle safety regulations or federal aircraft safety rules for those carriers.

The bill forbids certain motor carriers and air carriers to operate in Alaska without complying with its provisions. Proposed AS 42.30.195. The definitions for motor and air carriers, motor vehicles, aircraft, etc. are found in proposed AS 42.30.270, and were adapted from the definitions in the Motor Freight Carrier Act (AS 42.10.420) and the Air Commerce Act of 1960 (AS 02.05.250). The definitions differ from their predecessors in two ways: the four categories of motor carriers formerly recognized have been deleted and the term "motor carrier" now includes buses. Proposed AS 42.30.197 incorporates the provisions of AS 42.10.020 exempting certain vehicles from coverage, and adds exemptions

for school buses and for buses with a seating capacity of fewer than 16 persons.

The financial responsibility statute enacted by the initiative is clarified by a few amendments. AS 42.30.200. To conform the statute's terminology to other sections of the bill, the phrase "a person who carries passengers or freight for hire intrastate" is changed to "a person operating as a motor carrier or a person engaged in air commerce." A provision from AS 02.05.136 has been added, requiring 30 days' notice to DPS before insurance or surety bonds may be cancelled. The requirement that regulations be adopted under AS 42.30.200 was also added.

Proposed AS 42.30.205 gives the department the discretionary power to adopt regulations requiring carriers to obtain bonding. This provision is modeled after AS 42.10.100 and is intended to protect the public that uses the carrier's services. In keeping with the practice set up by AS 42.10.113, motor carriers are required to place their identification on their motor vehicles. Proposed AS 42.30.210.

The bill creates a new system of carrier registration. Unlike the ATC's system of issuing permits or certificates based on public convenience and necessity, this registration plan does not economically regulate entry into air or motor commerce. An intrastate motor carrier that is required to register will be registered if three simple conditions are met: the carrier shows proof of financial responsibility (which AS 42.30.200 already requires) and bonding (if required by regulation), and provides proof of compliance with safety regulations. Proposed AS 42.30.215. This latter element will be met by having all vehicles inspected by the department, or an authorized representative, once every six months, as provided in proposed AS 42.30.230(b). The inspections would be performed free of charge by a non-uniformed DPS employee. An interstate motor carrier will register its Interstate Commerce Commission (ICC) authority under proposed AS 42.30.220 just as it did under AS 42.10.135. Interstate carriers will be required to comply with Alaska's safety regulations and obtain bonding, if directed by regulation, but they will not be subject to this bill's insurance or inspection rules because those matters are governed by federal authority. An air carrier registers by providing proof of insurance, bonding, and compliance with federal safety laws. Proposed AS 42.30.225. As was set out in AS 02.05.090, air carriers must also register each aircraft used and pay an annual aircraft registration fee. Proposed AS 42.30.225(e) and (f).

Proposed AS 42.30.235 gives DPS the ability to adopt regulations, under the Administrative Procedure Act, to carry out the bill's provisions. Other than the definitions portion, the remainder of the bill deals with enforcement and penalties for operating in violation of the provisions of this bill. If any carrier operates without the necessary insurance or bonding, or if an air carrier fails to register its aircraft, the carrier's registration can be summarily suspended, with an administrative hearing provided within 10 days. Proposed AS 42.30.240(a). This is similar to the AT's stop-order authority in AS 42.07.181. There are three other bases for revocation, although they are not grounds for pre-hearing suspension: intentional misrepresentation of a material fact in obtaining registration; intentional failure to comply with the provisions of this bill or regulations adopted under them; and failure to pay applicable fees. Proposed AS 42.30.240(b). Carriers with a suspended registration may cure the defect any time before the hearing, or after a hearing and before registration is revoked. Proposed AS 42.30.240(c). However, if registration is revoked for any reason, the carrier must pay fees and reapply to become registered again. Revocations are appealable to the superior court. Proposed AS 42.30.240(d).

In addition to the ability to administratively handle violations by lifting a carrier's registration, DPS may also pursue enforcement actions in court. Under proposed AS 42.30.245(a)(4), designated representatives of the department may issue citations for violation of the commercial motor vehicle safety regulations. The department may pursue an action in superior court to enforce its statutes and regulations (proposed AS 42.30.245(b)) and seek a misdemeanor conviction or payment of civil penalties where applicable. Proposed AS 42.30.250 and 42.30.255. A knowing act or omission in violation of any of this bill's provisions is a misdemeanor punishable by a fine of not more than \$500, and payment of the costs of prosecution. Proposed AS 42.30.250 (modeled after AS 42.10.393 and AS 02.05.230). Carriers who operate without the necessary insurance or bonding while their registration is suspended, or who operate without obtaining registration or while registration is revoked, are subject to a civil penalty equal to the amount of revenue earned as a result of their operation, or up to \$1,000, whichever is greater. Proposed AS 42.30.255 (comparable to AS 42.10.394 and AS 02.05.231). Aircraft or motor vehicles used in commerce before registration is obtained, or after registration is revoked, may be seized by DPS. The court may order the aircraft or vehicle forfeited to the state, or may release it to the offending carrier upon payment of civil or criminal penalties. Proposed

AS 42.30.245(c).

The initiative's action in abolishing the ATC and in effecting the economic deregulation of the transportation industry in Alaska creates a new era for both Alaska's residents and its industry. I believe that it is important that the legislative and executive branches of government cooperate to the fullest extent to establish a program that achieves the intent of the initiative and provides an adequate level of safety to protect the general public. I am willing to explore with the legislature other approaches to accomplishing this objective.

I urge prompt consideration of this measure before February 28, 1985 so that the roads and skies will remain safe for business and the public.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

AN INITIATIVE

For an Act entitled: "An Act terminating the Alaska Transportation Commission and repealing transportation laws administered by the commission; requiring persons who carry passengers or freight for hire to hold insurance of other security; and requiring the governor to lobby Congress for the repeal of the federal Jones Act."

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

* Section 1. STATEMENT OF PURPOSE. The people of Alaska recognize that

(1) because of Alaska's great size and distance from markets, Alaskans must have access to efficient low-cost transportation in order for people and goods to move safely inside and outside the state;

(2) a little-known but powerful state regulatory agency, the Alaska Transportation Commission (ATC), creates motor and air carrier monopolies by legalized price fixing and tariffs, which artificially raises shipping rates and makes consumer goods more expensive for all Alaskans;

(3) the primary purpose of the ATC is to fix rates, not promote safety, and other government agencies can insure safety standards while allowing persons to contract freely for services;

(4) abolishing the ATC and its anti-competitive practices will subject air carriers and trucking companies to free market competition, thereby reducing freight rates, improving service, and saving Alaskan consumers millions of dollars each year;

(5) a federal law, known as the Jones Act, requires that ships bound for Alaska from other American ports must be built and registered in the United States and staffed with American crews, thereby granting such ships an unfair monopoly and protecting them from free market competition, which costs Alaskan consumers millions of dollars each year;

(6) the Jones Act should be repealed, and the governor should use all appropriate means to persuade Congress to do so.

* Sec. 2. AS 29.48 is amended by adding a new section to read:

Sec. 29.48.036. REGULATION OF TRANSPORTATION CARRIERS. Notwithstanding AS 29.48.035(a), a municipality may not regulate an activity regarding transportation of passengers or freight for hire if the regulation conflicts with the regulation of that activity by the Alaska Transportation Commission as the regulation existed on April 1, 1983 under former AS 02.05, AS 42.07, or AS 42.10.

* Sec. 3. AS 42.30 is amended by adding a new section to read:

ARTICLE 5. RESPONSIBILITIES OF MOTOR AND AIR CARRIERS.

Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who carries passengers or freight for hire intrastate shall procure and maintain security in an amount determined by the Department of Public Safety as necessary for the reasonable protection of the public against damages or injury caused by the person.

(b) Evidence of security required under (a) of this section shall be filed with the department and must be

(1) a policy or certificate of insurance issued by an insurer acceptable to the department; or

(2) a bond of a surety company licensed to write surety bonds in the state; or

(3) evidence accepted by the department, showing ability to self-insure; or

(4) other security approved by the department.

(c) The department may authorize enforcement officers to enforce this section.

* Sec. 4. AS 44.19 is amended by adding a new section to article 1 to read:

Sec. 44.19.035. JONES ACT REPEAL. The governor shall use best efforts and all appropriate means to persuade the United States Congress to repeal 46 U.S.C. secs. 861, et seq., known as the Jones Act. Until that Act is repealed, the governor shall publish an annual report documenting the harmful effects of the Act on Alaska commerce, and progress made towards its repeal. The report shall be submitted to the legislature no later than its convening each year.

* Sec. 5. If any provision of this Act is held invalid, the remaining provisions of this Act are severable and remain in effect.

* Sec. 6. AS 02.05; AS 29.10.411(b); AS 29.25.120(a)(7); AS 39.50.200(b)(3)(C); AS 42.07; AS 42.10; and AS 44.66.C101(a)(2) are repealed.

MEMORANDUM

State of Alaska

TO: Ray Gillespie, Legislative Asst DATE: January 8, 1985
 Ben Harding, Special Staff Asst
 Office of the Governor

FILE NO: 377-168-85
 366-225-85

TELEPHONE NO:

FROM: Norman C. Gorsuch
 Attorney General

SUBJECT: Proposed legislation
 and regulations
 package to control
 safety of commercial
 motor vehicle and
 aviation operations

By: Susan D. Cox *SDC*
 Assistant Attorney General
 Governmental Affairs-Juneau

Deputy Commissioner Vaden and Inspector Gorham of the Department of Public Safety (DPS) and I met last Thursday, January 3, to discuss the legislation required to transfer the Alaska Transportation Commission's (ATC) safety regulation function to DPS. A rough draft of a bill for that purpose is attached. Because the financial responsibility function has already been established in DPS by the initiative, insurance requirements are considered separately from safety regulations in the discussion below.

Insurance

AS 42.30.200 will become effective on February 28, 1985 with the balance of the ATC initiative and provides:

(a) A person who carries passengers or freight for hire intrastate shall procure and maintain security in an amount determined by the Department of Public Safety as necessary for the reasonable protection of the public against damages or injury caused by the person.

(b) Evidence of security required under (a) of this section shall be filed with the department and must be

(1) a policy or certificate of insurance issued by an insurer acceptable to the department; or

(2) a bond of a surety company licensed to write surety bonds in the state; or

(3) evidence accepted by the department, showing ability to self-insure; or

(4) other security approved by the department.

Ray Gillespie, Legislative Assistant
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(c) The department may authorize enforcement officers to enforce this section.

In Title 28, dealing with motor vehicles, DPS is given the authority to adopt regulations "necessary to carry out the provisions of [the] title and other statutes the administration of which is vested in the department." AS 28.05.011 (emphasis added). Furthermore, the regulations shall include: "(6) financial responsibility relating to vehicles." Id.

Given the specific language in Title 28, there is no question that DPS can mandate the levels of financial responsibility required of motor freight carriers by regulation. With the power "to enforce" AS 42.30.200, DPS can also adopt regulations to issue stop orders where a carrier has failed to insure failed to show proof of insurance as required, or operated without insurance. The stop order would be like a "fix-it" citation currently issued by Alaska State Troopers to drivers of all types of motor vehicles with deficient equipment; once insurance was obtained, the stop order would be lifted. The regulations setting up insurance requirements could be taken from those the ATC has currently; the enforcement provisions could parallel those for overweight and oversize vehicles in 3 AAC 35.140 -- 3 AAC 35.170, a copy of which is attached. To impose misdemeanor or civil money penalties for continuing or willful operation without insurance, additional statutory language would be required.

The statutes referenced above do not give DPS as clear authority to adopt regulations for insurance in the aviation field, since Title 28 pertains to motor vehicles (as opposed to Title 2, which more specifically covers aeronautics). Absent specific statutory language in AS 42.30.200 to adopt regulations for enforcement of insurance requirements in the aviation field, DPS would argue that a reasonable interpretation of AS 42.30.200 includes such power. While I think that DPS would be successful in this argument, additional legislation expressly granting the regulatory power for air carrier insurance would help avoid legal battles. My proposal is to amend AS 42.30.200 to provide for adoption of regulations to implement the insurance requirement. (See sec. 1 of the draft bill.) The regulations subsequently adopted for air carriers could parallel those for truckers.

DPS would like the authority to continue requiring carriers to be bonded, a power currently given the ATC by AS 42.10.100. As I understand it, the bonding of the business is independent of the financial responsibility requirement established for each vehicle. AS 42.30.210 of my draft includes this provision, but it needs refinement. Should bonding be required in the aviation

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tion field as well as for motor freight carriers? Is a separate bonding requirement necessary? Should there be a bonding of businesses to protect shippers and consignees in addition to property damage and liability insurance for each vehicle?

Safety

As you know, the ATC initiative does recognize that government agencies other than the ATC "can insure safety standards while allowing persons to contract freely for services." However, the initiative makes no provision for transferring the ATC's safety regulation function. The sections of Title 28, and regulations promulgated thereunder, govern motor vehicles in general, but do not address the areas that the ATC's statutes and regulations have traditionally covered, that is, commercial motor freight and air carriers.

At a minimum, proposed legislation should give DPS the power to adopt regulations for motor carrier safety. Under this authority, DPS would adopt the ATC's regulations currently found at 3 AAC 62. In addition, DPS should have some kind of enforcement authority to stop operations in violation of the safety rules. Along that line, stop orders similar to those mentioned above in the insurance section could be authorized.

DPS proposes to go a step further than merely adopting the ATC's safety regulations by implementing a semi-annual truck inspection. A staff of nonuniformed DPS employees would inspect trucks covered by this legislation for compliance with the safety regulations at the employer's place of business once every six months. If a truck failed to pass the inspection, DPS should be able to issue an order requiring repair of the deficiencies before a vehicle is used in commerce.

As an additional enforcement tool for the insurance and safety requirements, DPS wants to institute a registration system for both intrastate air and motor freight carriers. In order to register, an air carrier would have to provide proof of insurance, possibly proof of bonding, and proof of FAA compliance for its planes. A motor carrier would need to submit proof of insurance, possibly proof of bonding, and proof of passing a safety inspection within the past six months for its vehicles. The department could also set a nominal registration fee. This registration system has the advantages of maintaining a list of the air and motor carriers in operation (who, at a minimum, will be subject to the financial responsibility requirement) and of providing another hammer for enforcement: if a person or company refuses to obey an order regarding safety or insurance, or con-

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tinually violates the safety or insurance rules, DPS could have the power to revoke registration, thereby preventing the person or company from engaging in that type of commercial activity.

AS 42.30.220 of the attached bill draft sets up, in section AS 42.30.220, the skeleton of a registration system for both air and motor carriers operating intrastate. AS 42.30.220 reenacts current AS 42.10.135 to provide for registration of interstate motor carriers. (No provision has been included for registering interstate air carriers, because I have not researched the extent to which the FAA does this.) AS 42.30.220 establishes the safety inspection requirement and authorizes the department to adopt safety regulations and to enforce the same rules. "Department" is defined as DPS, in AS 42.30.250, and January 28, 1985 is set as the effective date in sec. 3 of the bill. Please bear in mind that this is a first draft which anticipates substantial fine tuning and amendment!

In reviewing the bill draft, there are several policy questions I would ask you to consider.

1. Coverage -- what entities should be covered by various provisions of our proposed legislation?

a. AS 42.30.200 is directed at "a person who carries passengers or freight for hire intrastate." Do you want individual pilots or drivers to be responsible, or their companies, for registering, obtaining and providing proof of insurance (and possibly bonding), and complying with safety rules? Additionally, do you want buses included in this section?

b. If you want to pursue a safety inspection and/or registration requirement, should it cover all trucks, only those vehicles used to carry passengers or freight for hire intrastate, or those trucks which were covered by the ATC statutes? (Note the exemption provisions of current AS 42.10.020.)

2. Bonding -- Should bonding be required in addition to the liability and property damage insurance mandated by AS 42.30.200? Should it apply to air carriers as well as trucks? (Also consider coverage questions raised above.)

3. Placement in Statutes -- Do you like the approach of adding sections to Title 42, Public Utilities and Carriers, under new Article 5 "Responsibilities of Motor and Air Carriers"? Or would you prefer to separate aviation registration

tration from motor safety and registration by placing sections in Titles 2 (Aeronautics) and 28 (Motor Vehicles)?

4. Identification -- Do you want a requirement that motor vehicles display identification for owner and registration number on the side of trucks, similar to former AS 42.10.113? (Again, consider coverage issues raised above.)

5. Penalties -- How far do you want enforcement authority to extend?

a. Potential stop orders --

1. failure to insure (air and motor);
2. failure to provide evidence of insurance (air and motor);
3. operating without insurance (air and motor);
4. failure to provide proof of compliance with the FAA when registering (air);
5. failure to submit to safety inspection (motor);
6. failure to provide evidence of passing safety inspection within past six months when registering (motor);
7. operating in violation of order to remedy safety deficiency (motor);
8. operating in violation of safety regulations (motor);
9. operating without registering (air and motor).

b. Revocation of registration -- What offenses should require revocation of registration? Should such a provision be added to the bill draft?

c. Civil penalties -- AS 42.10.394 and AS 02.05.231 provided for civil money penalties in certain circumstances -- should these be included in the bill, and for what offenses?

d. Misdemeanor -- AS 42.10.393 and AS 02.05.230 also made violations of the Motor Freight Carrier Act and Air Commerce Act of 1960 misdemeanors. Should similar provisions be included in this bill, and for what offenses? Do you want a section similar to AS 02.05.232, making each violation a separate offense?

e. Points -- Should a point system be instituted for truck safety, similar to that used for infractions and vic-

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lations of the Motor Vehicle Code?

6. Hearings -- At what point should aggrieved part be provided a right to a hearing, and what type of frame for administrative and/or judicial adjudication should be implemented?

SDC/pjg

Enc.

cc: Hon. Robert Sundberg, Commissioner
Department of Public Safety

Lt. Col. James Vaden, Deputy Commissioner
Department of Public Safety

Hon. Richard J. Knapp, Commissioner
Department of Transportation &
Public Facilities

Warren Sparks, Deputy Commissioner
Statewide Programs
Department of Transportation &
Public Facilities

Terry Elder, Deputy Commissioner
Department of Commerce &
Economic Development

Lois Cook, Director
Division of Administrative Services
Department of Commerce &
Economic Development

Robert Rucker, Chairman Commissioner
Keith Miller, Commissioner
Hesden Scougal, Commissioner
Alaska Transportation Commission

Mr. Larry Michou

Lawrence Delay, Assistant Attorney General
Department of Law -- Anchorage

MEMORANDUM

State of Alaska

TO: John Shively, Chief of Staff DATE: November 23, 1984
Ray Gillespie, Dir., Legis. Relations
Ben Harding, Spec. Staff Asst. FILE NO: 366-225-85
Office of the Governor

TELEPHONE NO: 465-3600

FROM: Norman C. Gorsuch
Attorney General

SUBJECT: Statutes and regula-
tions repealed when
ATC initiative be-
comes effective

By: Susan D. Cox
Assistant Attorney General
Governmental Affairs-Juneau

You have asked me to compile a list of the statutes which will be repealed when the Alaska Transportation Commission (ATC) initiative becomes effective, with an eye toward any statutory gaps in public health and safety matters which the initiative creates. For your convenience, I have attached a copy of the statutes being repealed, as well as the text of the initiative itself from the election pamphlet. A summary of the statutory implications of the initiative follows below, with a list of areas in which legislation or transfer of authority may be advisable.

The initiative not only abolishes the ATC as an organization, but repeals the substantive law which is within the ATC's domain. The Alaska Air Commerce Act of 1960 (AS 02.05), and the Motor Freight Carrier Act (AS 42.10), are repealed along with the Alaska Transportation Commission Act (AS 42.07). Four less significant statutes are also repealed as a housekeeping measure: AS 28.10.411(b), requiring that certain motor carrier fees be paid at the same time the vehicle registration fee is paid; AS 39.25.120(c)(7), listing certain employees of the ATC in the partially exempt service; AS 39.50.200(b)(3), defining the ATC as a "state commission or board" for conflict of interest purposes; and AS 44.66.010(a)(2), specifying June 30, 1985 as the ATC's "sunset" date.

I. AIR COMMERCE

The Alaska Air Commerce Act of 1960 gives the ATC authority to regulate the air transportation market, through the issuance of certificates for scheduled carriers, contract carriers, and air taxi operators. AS 02.05.010 -- 02.05.120. In order to issue a certificate, the ATC must find that "the applicant is fit, willing and able to engage in air commerce properly" and that public convenience and necessity require the performance of the air commerce for which a certificate is being requested. AS 02.05.080(a)(1) and (2). Aircraft subject to AS 02.05 must

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also be registered with the ATC annually, including scheduled carriers certificated by the Civil Aeronautics Board (CAB) that provide service between points in Alaska on their interstate or foreign routes. AS 02.05.090(g) and (h). Additional provisions in the Air Commerce Act provide for revocation and transfer of certificates. AS 02.05.100 and 02.05.110. Before air taxi or certified contract operators can fly a different type of aircraft than they did during 1965--1966, the ATC must find that public convenience and necessity require it. AS 02.05.055.

Accidental liability protection is required before a person can obtain a certificate to operate as an air carrier and before a carrier can operate within the state. The ATC sets the amount of protection required. AS 02.05.130. Acceptable evidence of the type of protection obtained is set out in the Act, as well as the duration it is required. AS 02.05.135, 02.05.136, 02.05.137.

Other statutes within the Air Commerce Act deal with tariffs (AS 02.05.140); rates and service (AS 02.05.150); accounts, records and reports (AS 02.05.170); methods of competition (AS 02.05.180); ATC complaint and investigation procedures (AS 02.05.190 -- 02.05.210); criminal violations and civil penalties (AS 02.05.230 -- 02.05.240); and definitions for the chapter (AS 02.05.250). Of note among these various provisions is the section prohibiting "unjust discrimination or an undue or unreasonable prejudice or disadvantage" in air commerce. AS 02.05.150(b). The ATC has statutorily been given the power to "investigate and determine whether an air carrier or ticket agent has been or is engaged in unfair or deceptive practices or unfair methods of competition in air commerce or the sale thereof." AS 02.05.180. Additionally, the ATC has the authority to require carriers to file with it the tariffs, schedules and reports that the CAB or other federal agencies require. AS 02.05.160.

Given this statutory background, there are several health and safety issues which may be unfortunately neglected once the initiative becomes effective. These are listed below, along with the references to federal agencies which are found in AS 02.05 and other areas that should be considered if another department is to take up where the ATC leaves off.

A. Health and Safety

1. Power to adopt regulations and issue orders to administer the Act -- AS 02.05.030(a);

2. Finding that a carrier is fit, willing, and able
-- AS 02.05.080(1);

3. Registration of planes -- AS 02.05.090(i) and (g);

4. Insurance -- AS 02.05.130 -- 02.05.137. (Note: The initiative enacts AS 42.30.200 to require a person who carries passengers or freight for hire intrastate to maintain security in an amount set by the Department of Public Safety (DPS) as well as setting out the acceptable evidence of security to be filed with DPS and giving DPS the power to "authorize enforcement officers to enforce this section.")

B. Federal Links

1. Authority to confer and hold hearings with federal agencies over "matters affecting air commerce" -- AS 02.05.-030(b);

2. Power to complain to federal authorities when it determines that violations of the Federal Aviation Act of 1958 have taken place -- AS 02.05.030(c);

3. Filing with the ATC of the tariffs, schedules and reports which federal agencies require -- AS 02.05.160.

C. Other

1. Discrimination prohibited -- AS 02.05.150(b);

2. Investigation of unfair competition -- AS 02.05.-180;

3. Rights in court, violations, civil penalties, etc.
-- AS 02.05.210, 02.05.230, 02.05.231 -- 02.05.234;

4. Definitions -- AS 02.05.250.

II. MOTOR FREIGHT TRANSPORTATION

The Alaska Motor Freight Carrier Act, in AS 42.10, is somewhat more comprehensive in regulating motor freight transportation than the Air Commerce Act of 1960 is for air commerce. The third section of the Motor Freight Carrier Act provides that a "person may not operate as a motor carrier on a public highway of this state except in accordance with this chapter." AS 42.-10.030. The statutes set out the ATC's regulatory powers over

common and contract carriers, including the regulation of "safety of operations." AS 42.10.070(3) and 42.10.080(3). Less extensive regulation of private and exempt carriers is provided for, although the ATC has a specific mandate to supervise and regulate them as to their safety of operation. AS 42.10.090(1). In order to carry out the purposes of the chapter, the ATC is allowed to adopt regulations. AS 42.10.110.

The statutes impose many duties on people in the motor freight transportation field. A common carrier is required "to file a surety bond or deposit security or a bond guaranteed by individuals approved by the commission." AS 42.10.100. The ATC was ordered to adopt regulations to require contract, common, exempt, and private carriers to place proper identification (including name, address, operating authority, and permit number) on each motor vehicle operated by the carrier. AS 42.10.113. The ATC has authority to administer and enforce the provisions of the Act and can inspect the vehicles, books, and documents of motor carriers, and of persons using the carrier's service "for the purpose of discovering discrimination, rebates, and other information pertaining to this chapter." AS 42.10.120(a).

A permit is a prerequisite to operate as a common, contract, or temporary carrier in Alaska. AS 42.10.130, 42.10.140 -- 42.10.180. Currently, the ATC may not grant a permit if it finds that the applicant is not financially able, properly and adequately equipped and capable of conducting the transportation service applied for in compliance with the law and regulations of the commission." AS 42.10.130(a). The proposed service must be "required by the present or future public convenience and necessity." AS 42.10.130(c). Additionally, motor carriers engaged in interstate or foreign commerce must register their operation with the ATC and pay applicable fees under AS 42.10.135. In granting a permit to a common or contract carrier, the ATC requires proof of liability and property damage insurance to be filed or a deposit of security. AS 42.10.190.

Other provisions of the Motor Freight Carrier Act pertain to conditions attached to permits (AS 42.10.200); temporary permits (AS 42.10.210); transfer of permits (AS 42.10.220); discontinuance of permitted operations (AS 42.10.225); modification, suspension, or revocation of permits (AS 42.10.230); weight fees (AS 42.10.240); classification of carriers (AS 42.10.250 -- 42.10.270); tariffs and tariff schedules (AS 42.10.280 -- 42.10.355); reciprocal agreements with other states (AS 42.10.380); judicial review, penalties and enforcement (AS 42.10.389 -- 42.10.400); and definitions (AS 42.10.420).

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given to transferring safety and other regulations to a department with the authority to adopt and enforce them. Once a decision is made about which department might take over these regulations, that department's statutes must be consulted to determine if legislation will be necessary for the transfer to take place.

I hope this memo will be helpful to you and the other departments involved in this matter.

SDC/pjg

Enc.

cc: Robert Rucker, Chairman Commissioner
Keith Miller, Commissioner
Hesden Scougal, Commissioner
Alaska Transportation Commission

Lois Cook, Director
Div. of Administrative Services
Dept of Commerce & Economic
Development

Warren Sparks
Deputy Commissioner, Statewide Programs
Dept. of Transportation & Public
Facilities

Lawrence Delay, Asst. Attorney General
Attorney General's Office -- Anchorage

Offered: 2/20/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE TRANSPORTATION COMMITTEE
2 CS FOR HOUSE BILL NO. 133 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-
7 cial responsibility; and providing for an effective
8 date."

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

10 * Section 1. AS 42.30.200 is amended to read:

11 Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person who
12 carries passengers or freight for hire intrastate or a person who
13 carries freight in a motor vehicle for commercial purposes shall
14 procure and maintain security in the following amounts:

15 (1) \$200,000 for property damage in a single occurrence;

16 (2) \$500,000 for bodily injury or death in a single occur-
17 rence if a person operates a motor vehicle; and

18 (3) \$300,000 per seat for bodily injury or death in a
19 single occurrence if a person operates an aircraft [AN AMOUNT DE-
20 TERMINED BY THE DEPARTMENT OF PUBLIC SAFETY AS NECESSARY FOR THE
21 REASONABLE PROTECTION OF THE PUBLIC AGAINST DAMAGES OR INJURY CAUSED
22 BY THE PERSON].

23 (b) Evidence of security required under (a) of this section
24 shall be filed with the department and must be

25 (1) a policy or certificate of insurance issued by an
26 insurer acceptable to the department; [OR]

27 (2) a bond of a surety company licensed to write surety
28 bonds in the state; [OR]

29 (3) evidence accepted by the department, showing ability to

1 self-insure; or

2 (4) other security approved by the department.

3 (c) The department may authorize department personnel [ENFORCE-
4 MENT OFFICERS] to enforce this section and may adopt regulations
5 necessary to implement this section.

6 * Sec. 2. AS 42.30.200 is amended by adding new subsections to read:

7 (d) A policy of insurance submitted as proof of financial
8 responsibility under AS 42.30.225(a)(1), a surety bond, or other form
9 of security may not be cancelled on less than 30 days' written notice
10 to the department. This requirement must be clearly stated in the
11 policy or endorsement. The 30-day notice period is measured from the
12 date on which the department receives notice.

13 (e) A person who knowingly violates (a) of this section is
14 guilty of a class B misdemeanor and is punishable by a fine of not
15 less than \$500 or more than \$1,000.

16 (f) This section applies only to a person who carries passengers
17 or freight for hire in a motor vehicle weighing 10,000 pounds or more,
18 or a propeller or jet-powered aircraft.

19 * Sec. 3. AS 42.30 is amended by adding new sections to read:

20 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

21 (a) A person may not engage in air commerce without obtaining a
22 certificate of compliance from the department. The department shall
23 issue a certificate of compliance upon application and presentation of

24 (1) proof of financial responsibility required under
25 AS 42.30.200;

26 (2) proof of compliance with Federal Aviation Administra-
27 tion requirements, and, where applicable, federal certification for
28 scheduled airline service.

29 (b) A person who receives a certificate of compliance under (a)

1 of this section shall renew the certificate annually.

2 (c) Each aircraft owned or leased by a person subject to the
3 provisions of this section must have a certificate of compliance
4 issued by the department before the aircraft is used in air commerce.
5 The certificate is valid for a period of 12 months following the date
6 of certification. The certificate must be displayed on the aircraft
7 so that it is visible to boarding passengers.

8 (d) A federally-certificated interstate air carrier that pro-
9 vides intrastate service between points in the state on an interstate
10 or foreign route, and who uses, for that intrastate service, aircraft
11 based primarily outside the state, must also obtain a certificate of
12 compliance for each aircraft used in intrastate service.

13 (e) Use of an aircraft in air commerce before obtaining a cer-
14 tificate of compliance required under (a) of this section may be cause
15 for suspension or revocation of the certificate.

16 (f) An air carrier, who before the effective date of this Act,
17 obtained a certificate to operate from the Alaska Transportation
18 Commission, is not required to obtain a certificate of compliance
19 under (a) of this section until the date on which the insurance policy
20 on each aircraft must be renewed.

21 (g) The department may authorize department personnel to enforce
22 this section and may adopt procedural regulations necessary to imple-
23 ment this section.

24 ARTICLE 6. MOTOR VEHICLE SAFETY INSPECTIONS.

25 Sec. 42.30.300. MOTOR VEHICLE SAFETY INSPECTIONS. (a) A motor
26 vehicle may not be operated in this state without a certificate of
27 inspection. An owner of a motor vehicle shall renew a certificate of
28 inspection at least once a year at an official inspection station
29 under AS 42.30.320. An owner of a motor vehicle shall display a

1 sticker of inspection visible from outside the vehicle in a location
2 determined by the department.

3 (b) The commissioner of commerce and economic development may
4 adopt regulations necessary to implement this section.

5 Sec. 42.30.310. EXEMPTIONS. A motor vehicle is exempt from the
6 requirements of AS 42.30.300 if it is owned by the government of the
7 United States of America.

8 Sec. 42.30.320. OFFICIAL INSPECTION STATIONS. (a) A person may
9 not operate an inspection station without a permit from the depart-
10 ment. The department shall approve an application for permit to
11 operate an inspection station if

12 (1) the department determines the inspection station has
13 proper equipment and competent personnel; and

14 (2) a certified vehicle inspector under AS 42.30.330 is
15 employed at the inspection station.

16 (b) After the department approves an application for permit to
17 operate an official inspection station under (a) of this section, it
18 shall provide the applicant with a permit, certificates of inspection,
19 and inspection stickers.

20 (c) Upon receipt of a permit from the department under (b) of
21 this section, the operator of an official inspection station shall
22 post the permit in a conspicuous place at the location designated by
23 the department.

24 (d) The department may enter the premises of the operator of an
25 official inspection station at any time to inspect the work of the
26 certified vehicle inspectors under AS 42.30.330 or to determine if the
27 operator continues to meet the requirements of this section.

28 (e) The department shall suspend or revoke a permit of an opera-
29 tor of an official inspection station if the operator fails to meet

1 the requirements of this section.

2 (f) Upon notice of suspension or revocation of a permit under
3 (e) of this section, the operator of an official inspection station
4 shall immediately terminate all inspection activities, and on demand
5 by the department, return the permit and all certificates of inspec-
6 tion. The department shall issue a receipt for all unused certifi-
7 cates of inspection.

8 (g) If a permit is suspended or revoked under (e) of this sec-
9 tion, the department shall give an operator of an official inspection
10 station a hearing, upon written request filed with the department
11 within 10 days after suspension or revocation.

12 (h) A permit to operate an official inspection station may not
13 be assigned, transferred, or used at a location other than the lo-
14 cation designated by the department.

15 Sec. 42.30.330. CERTIFICATION OF VEHICLE INSPECTORS. (a) A
16 person may not conduct a motor vehicle inspection at an official
17 inspection station under AS 42.30.320 unless certified as a vehicle
18 inspector by the department.

19 (b) The department may suspend the certification issued to a
20 vehicle inspector under (a) of this section if the vehicle inspector
21 improperly conducted inspections or failed to comply with a provision
22 of this section or regulations adopted under it.

23 (c) If a certificate is denied or suspended under (b) of this
24 section the department shall give a vehicle inspector a hearing upon
25 written request filed with the commissioner within 10 days after
26 denial or suspension.

27 Sec. 42.30.340. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A
28 person operating an official inspection station shall issue a certifi-
29 cate of inspection to the owner of a motor vehicle after determining

1 the motor vehicle is in a safe and mechanically sound condition.

2 (b) A person operating an official inspection station shall keep
3 a record of each inspection performed at the station and the depart-
4 ment may audit the records of an official inspection station at any
5 time.

6 Sec. 42.30.350. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.

7 (a) A person may not represent a place as an official inspection
8 station unless the station is operating under a valid permit issued by
9 the department under AS 42.30.320.

10 (b) A person may not issue a certificate of inspection unless
11 holding a valid permit under AS 42.30.320.

12 Sec. 42.30.360. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A
13 person may not make, issue, or knowingly use an imitation or counter-
14 feit of an official certificate of inspection.

15 (b) A person may not knowingly display or issue a certificate
16 of inspection on a motor vehicle unless the motor vehicle has met the
17 requirements of AS 42.30.340.

18 Sec. 42.30.370. VIOLATION A MISDEMEANOR. A person who knowingly
19 violates a provision of AS 42.30.300 - 42.30.360 is guilty of a class
20 B misdemeanor.

21 Sec. 42.30.380. DEFINITIONS. In AS 42.30.200 - 42.30.380,

22 (1) "air carrier" means a person undertaking to engage in
23 air commerce, whether directly or indirectly, or by lease, contract,
24 or any other arrangement, and whether over regular or irregular
25 routes;

26 (2) "air commerce" means carriage by aircraft of persons or
27 freight, for compensation or hire, in intrastate commerce, including
28 the carriage by aircraft of persons or freight that move partly by
29 aircraft and partly by other forms of transportation;

1 (3) "aircraft" means a device used or designed for flight
2 in the air;

3 (4) "department" means the Department of Commerce and
4 Economic Development;

5 (5) "freight" means all commodities, articles, and cargo,
6 of whatever nature or value, excluding garbage and trash;

7 (6) "motor vehicle" means a truck of more than 10,000
8 pounds unladen gross vehicle weight used upon a public highway.

9 * Sec. 4. Notwithstanding the amendment to AS 42.30.200(a)(3) made by
10 sec. 1 of this Act, until July 1, 1985, a person to whom AS 42.30.200
11 applies need only maintain security in the amount of \$100,000 per seat for
12 bodily injury or death in a single occurrence if a person operates an
13 aircraft.

14 * Sec. 5. AS 44.33.020 is amended by adding a new paragraph to read:

15 (27) implement the financial responsibility requirements for
16 motor vehicles and air carriers under AS 42.30.200 and 43.30.225.

17 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

Introduced: 1/28/85
Referred: State Affairs,
Transportation and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 133

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing authority for the Department of
7 Public Safety to regulate safety of motor carrier and
8 air carrier operations; and providing for an effective date."
9

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

11 * Section 1. AS 42.30 is amended by adding new sections to article 5 to
12 read:

13 Sec. 42.30.195. COMPLIANCE ENJOINED. A person may not operate
14 as a motor carrier on a public highway of this state, or engage in air
15 commerce to or from any point in this state, except in accordance with
16 AS 42.30.195 -- 42.30.270.

17 Sec. 42.30.197. EXEMPT MOTOR VEHICLES. (a) AS 42.30.195 --
18 42.30.220 and AS 42.30.230 -- 42.30.270 apply to all motor vehicles of
19 a motor carrier unless specifically exempted by this section. Unless
20 specifically provided otherwise, AS 42.30.195 -- 42.30.220 and AS 42.
21 30.230 -- 42.30.270 do not apply to

22 (1) a motor vehicle operated exclusively in the transporta-
23 tion of United States mail or in the transportation of newspapers or
24 periodicals alone or in conjunction with an express service delivering
25 packages not to exceed 100 pounds to any one receiver;

26 (2) a motor vehicle owned and operated by the United
27 States, the state, or a borough, city, or unified municipality in the
28 state, or by an agency of any of them, except when the vehicle is used
29 to transport property of the general public for compensation in

1 competition with other carriers subject to this chapter, and to the
2 extent that regulation of vehicles operated by the United States is
3 permitted by the laws of the United States;

4 (3) a motor vehicle that is a "farm vehicle," as defined by
5 the department by regulation; that does not exceed an unladen total
6 gross weight of 16,000 pounds; that is owned by a person whose primary
7 source of livelihood is derived from the operation of a ranch, farm,
8 or dairy; and that is used exclusively to transport that person's own
9 ranch, farm, or dairy products to and from the market or to transport
10 supplies, commodities, or equipment to be used on the person's ranch,
11 farm, or dairy;

12 (4) a motor vehicle weighing 5,000 pounds or less, unladen
13 gross weight;

14 (5) a motor vehicle operated exclusively for the transpor-
15 tation of persons, which has a seating capacity of less than 16 pas-
16 sengers; and

17 (6) a motor vehicle operated exclusively for the transpor-
18 tation of students and teachers to or from school, which is subject to
19 regulation under AS 14.09.

20 (b) A vehicle weighing 5,000 pounds to 12,000 pounds, unladen
21 gross weight, is exempt from the requirements of AS 42.30.230.

22 * Sec. 2. AS 42.30.200 is amended to read:

23 Sec. 42.30.200. FINANCIAL RESPONSIBILITY. (a) A person operat-
24 ing as a motor carrier, except with regard to a vehicle exempt under
25 AS 42.30.197, or a person engaging in air commerce, [WHO CARRIES
26 PASSENGERS OR FREIGHT FOR HIRE INTRASTATE] shall procure and maintain
27 security in an amount determined by the Department of Public Safety as
28 necessary for the reasonable protection of the public against damages
29 or injury caused by the person.

1 (b) Evidence of security required under (a) of this section must
2 [SHALL] be filed with the department and must be

3 (1) a policy or certificate of insurance issued by an insur-
4 er acceptable to the department; or

5 (2) a bond of a surety company licensed to write surety
6 bonds in the state; or

7 (3) evidence accepted by the department, showing ability to
8 self-insure; or

9 (4) other security approved by the department.

10 (c) A policy of insurance, surety bond, or other form of securi-
11 ty is not cancellable on less than 30 days' written notice to the
12 department. This requirement must be clearly stated in the policy or
13 endorsement. The 30-day notice period is measured from the date upon
14 which the department receives notice.

15 (d) The department may authorize enforcement officers to enforce
16 this section.

17 (e) The department shall adopt regulations relating to financial
18 responsibility and enforcement of the financial responsibility re-
19 quirements set out in this section.

20 * Sec. 3. AS 42.30 is amended by adding new sections to read:

21 Sec. 42.30.205. BOND TO PROTECT SHIPPERS AND CONSIGNEES. The
22 department may, under regulations it adopts, require a motor or air
23 carrier to file a surety bond, or deposit security or a bond, in an
24 amount fixed by the department. The bond or security must be condi-
25 tioned upon the carrier paying to shippers and consignees money be-
26 longing to shippers and consignees, respectively, and coming into the
27 possession of the carrier in connection with its transportation ser-
28 vice. A carrier required by law to compensate a shipper or consignee
29 for loss, damage, or default for which a connecting carrier is legally

1 responsible is subrogated to the rights of the shipper or consignee
2 under the bond or deposit of security to the extent of the sum paid.

3 Sec. 42.30.210. IDENTIFICATION OF MOTOR VEHICLES. Each motor
4 carrier that is required to register under AS 42.30.315 shall place
5 sufficient identification, as determined by the department, on each
6 motor vehicle operated by that carrier that is not exempt under
7 AS 42.30.197. The required identification must be sufficient to allow
8 immediate determination of the carrier's name, address, and registra-
9 tion number. The department shall adopt regulations necessary to
10 implement this section.

11 Sec. 42.30.215. REGISTRATION OF INTRASTATE MOTOR CARRIERS. (a)
12 A person may not operate as an intrastate motor carrier, except with
13 regard to a vehicle exempt under AS 42.30.197, without obtaining
14 registration as a motor carrier from the department. Registration is
15 conditioned upon compliance with all other applicable provisions of
16 AS 42.30.195 -- 42.30.270, payment of applicable fees, and the filing
17 of an application accompanied by the following:

18 (1) proof of financial responsibility required under
19 AS 42.30.200;

20 (2) proof of bonding if required by regulations adopted
21 under AS 42.30.205;

22 (3) proof of a satisfactory safety inspection within the
23 preceding six months, by the department or its authorized representa-
24 tive, under AS 42.30.230 for all motor vehicles operated by the carri-
25 er, or, if the safety inspection for a vehicle within the preceding
26 six months was unsatisfactory, proof of repair or correction of the
27 vehicle's deficiency.

28 (b) An application for registration must be made in writing on a
29 form prescribed by the department, and must state the ownership,

1 control, affiliation with any other carrier, equipment to be used, and
2 other information the department requires.

3 (c) Registration under (a) of this section must be renewed
4 annually by paying the applicable renewal fee and filing a renewal
5 application, accompanied by the documentation of financial responsi-
6 bility, bonding, and safety compliance specified in (a)(1) -- (3) of
7 this section.

8 (d) A motor carrier, otherwise required to register under (a) of
9 this section, who is engaged in the transportation of property or
10 passengers by motor vehicle in intrastate commerce and who, before
11 February 28, 1985, obtained a permit to operate from the Alaska Trans-
12 portation Commission, is not required to file another application for
13 registration as prescribed in (a) of this section. Such a carrier is
14 required to file an application for renewal as prescribed in (c) of
15 this section no later than February 28, 1986; however, the renewal
16 application may not be granted until the applicant has complied with
17 all other applicable provisions of AS 42.30.195 -- 42.30.270.

18 Sec. 42.30.220. REGISTRATION OF MOTOR CARRIER'S INTERSTATE OPER-
19 ATING AUTHORITY. (a) A motor carrier may not operate as a motor
20 carrier in interstate or foreign commerce in the state without regis-
21 tering the operation with the department. Registration must be gran-
22 ted upon the filing of an application, the payment of applicable fees,
23 and upon compliance with the bonding requirement of AS 42.30.205, if
24 applicable, and with safety regulations adopted under AS 42.30.230(a).
25 An application for registration must be accompanied by either

26 (1) a copy of the operating authority pertaining to service
27 from, to, or within this state issued by the Interstate Commerce Com-
28 mission under 49 U.S.C. sec. 10921 (Interstate Commerce Act); or

29 (2) an affidavit of the motor carrier's exempt status,

1 including a description of the operations to be conducted, if the
2 operation does not require authority from the Interstate Commerce
3 Commission under 49 U.S.C. sec. 10921 (Interstate Commerce Act).

4 (b) Registration under (a) of this section, must be renewed
5 annually by filing a renewal application and paying the renewal fee.
6 Renewal is conditioned upon continued compliance with the bonding
7 requirement of AS 42.30.205, if applicable, and safety regulations
8 adopted under AS 42.30.230(a).

9 (c) A motor carrier operating as a motor carrier in interstate
10 or foreign commerce in the state, who, before February 28, 1985, reg-
11 istered its authority from the Interstate Commerce Commission with the
12 Alaska Transportation Commission, is not required to file another
13 initial application as prescribed in (a) of this section. Such a
14 carrier is required to file an application for renewal as prescribed
15 in (b) of this section; however, the renewal application may not be
16 granted until the applicant has complied with the bonding requirement
17 of AS 42.30.205, if applicable, and safety regulations adopted under
18 AS 42.30.230(a).

19 Sec. 42.30.225. REGISTRATION OF AIR CARRIERS. (a) A person may
20 not engage in air commerce without obtaining registration as an air
21 carrier from the department. Registration is conditioned upon compli-
22 ance with all other applicable provisions of AS 42.30.195 -- 42.30.-
23 270, payment of the applicable fees, and filing of an application
24 accompanied by the following:

25 (1) proof of financial responsibility required under
26 AS 42.30.200;

27 (2) proof of bonding if required by regulations adopted
28 under AS 42.30.205;

29 (3) evidence, satisfactory to the department, showing that

1 the applicant can and will comply with the provisions of the laws of
2 the United States and the state, and the regulations and orders re-
3 garding safety of operation.

4 (b) Applications for registration must be made in writing on a
5 form prescribed by the department, and must state the ownership, con-
6 trol, affiliation with any other carrier, equipment to be used, and
7 other information the department requires.

8 (c) Registration under (a) of this section must be renewed
9 annually by paying the applicable renewal fee and filing a renewal
10 application, accompanied by the documentation of financial responsi-
11 bility, bonding, and safety compliance specified in (a)(1) -- (3) of
12 this section.

13 (d) Except as provided in (e) of this section, each aircraft
14 owned or leased by a person subject to the provisions of this section
15 must be registered with the department before the aircraft is used in
16 air commerce. A certificate of registration must be issued by the
17 department for each aircraft. These certificates are valid for a
18 period of 12 months following the date of registration, and must be
19 renewed at the expiration of each 12-month period. The department
20 shall establish fees for registration of aircraft.

21 (e) Federally certificated interstate carriers that provide
22 intrastate service between points in the state on their interstate or
23 foreign routes and who use, for that intrastate service, aircraft
24 based primarily outside the state, shall register with the department
25 the aircraft used in intrastate service in the state. Registration
26 fees must be paid on the basis of the maximum number of aircraft used
27 in the intrastate service during any 24-hour period during the year,
28 as provided in regulations adopted by the department.

29 (f) Failure, by a person holding carrier registration under (a)

1 of this section, to register an aircraft before its use in air com-
2 merce may be cause for suspension or revocation of carrier registra-
3 tion in accordance with AS 42.30.240.

4 (g) An air carrier, operating as an air carrier, who, before
5 February 28, 1985, obtained a certificate to operate from the Alaska
6 Transportation Commission, is not required to file another application
7 for registration as prescribed in (a) of this section. Such a carrier
8 is required to file an application for renewal as prescribed in (c) of
9 this section no later than February 28, 1986; however, the renewal
10 application may not be granted until the applicant has complied with
11 all other applicable provisions of AS 42.30.195 -- 42.30.270.

12 Sec. 42.30.230. MOTOR VEHICLE SAFETY. (a) The department shall
13 adopt regulations governing the safety of operation of motor vehicles
14 that are subject to AS 42.30.195 -- 42.30.270, and providing for
15 enforcement of those safety requirements.

16 (b) An intrastate motor carrier shall have all of its motor
17 vehicles that are not exempted under AS 42.30.197 inspected for com-
18 pliance with safety regulations by the department or an authorized
19 representative of the department at least once every six months.

20 Sec. 42.30.235. ADOPTION OF REGULATIONS. The department may
21 adopt regulations to carry out the purposes of AS 42.30.195 -- 42.30.-
22 270 which apply to motor carriers, and to persons engaged in air
23 commerce, including but not limited to regulations for safety of
24 operations, financial responsibility, bonding, registration, fees,
25 identification of motor vehicles, and enforcement. The department
26 shall adopt these regulations under the Administrative Procedure Act
27 (AS 44.62).

28 Sec. 42.30.240. SUSPENSION OR REVOCATION OF CARRIER REGISTRA-
29 TION. (a) The department may suspend the registration of a motor

1 carrier or air carrier, without prior notice or hearing, upon failure
2 of the carrier to comply with AS 42.30.200, 42.30.205, or 42.30.225(e)
3 or (f). The suspension without a hearing is effective for 10 days.
4 The department shall provide the carrier whose registration is sus-
5 pended a hearing within 10 days. If the carrier so requests, the
6 hearing must be in the judicial district in which the carrier's prin-
7 cipal place of business in the state is located. If a hearing has
8 been provided by the department, the suspension may be extended for up
9 to 10 additional days in order that the hearing officer may decide the
10 matter.

11 (b) Upon complaint, or upon its own initiative, the department,
12 after notice and opportunity for hearing, and for good cause shown,
13 may revoke the registration of a motor carrier or air carrier. Good
14 cause for suspension or revocation of carrier registration includes
15 the following reasons:

16 (1) failure to submit evidence of financial responsibility
17 required by AS 42.30.200;

18 (2) failure to submit evidence of bonding if required by
19 regulations adopted under AS 42.30.205;

20 (3) failure to register aircraft used in air commerce as
21 required by AS 42.30.225(e) and (f);

22 (4) intentional misrepresentation of a material fact in
23 obtaining registration;

24 (5) intentional failure to comply with a provision of
25 AS 42.30.195 -- 42.30.270 or a regulation adopted under AS 42.30.235;

26 (6) failure to pay applicable fees.

27 (c) A carrier whose registration has been suspended for failure
28 to show financial responsibility or bonding may, at any time before
29 revocation, have the carrier registration reinstated upon proof of

1 compliance with AS 42.30.200 and 42.30.205. An air carrier whose
2 carrier registration has been suspended for failure to register air-
3 craft may, at any time before revocation, have the registration rein-
4 stated by complying with AS 42.30.225(e) and (f). In order to become
5 a registered carrier after registration has been revoked for any
6 reason, the carrier must pay applicable carrier registration fees and
7 submit a new application accompanied by the documentation required by
8 applicable provisions of AS 42.30.215, 42.30.220, and 42.30.225.

9 (d) A carrier whose registration has been revoked may appeal the
10 department hearing officer's decision to the superior court.

11 Sec. 42.30.245. ENFORCEMENT AUTHORITY; JUDICIAL ENFORCEMENT;
12 SEIZURE AND FORFEITURE. (a) Enforcement officers authorized by the
13 department and persons authorized and designated by the department to
14 perform inspections under AS 42.30.230 have the authority set out in
15 this section to enforce regulations of the department and to enforce
16 the statutes that the department administers. The department may
17 authorize these designated representatives to

18 (1) require the operator of a motor vehicle or aircraft
19 that might be subject to the authority of the department under AS 42.-
20 30.195 -- 42.30.270 to present documents of vehicle registration or
21 ownership, or other documents required by regulation to be in the
22 possession of the operator;

23 (2) stop a motor vehicle that might be subject to the au-
24 thority of the department under AS 42.30.195 -- 42.30.270 and request
25 the right to inspect cargo in the vehicle to determine whether the
26 operation of the vehicle violates a regulation of the department or a
27 statute which the department administers; if the operator of that
28 vehicle refuses to permit inspection of the vehicle or its cargo, the
29 authorized department representative may, by placing a seal on or

1 around the cargo, prohibit the discharge of the cargo except at a
2 point of destination and in the presence of an authorized representa-
3 tive of the department;

4 (3) detain or remove from service a motor vehicle that
5 might be subject to the authority of the department under AS 42.30.-
6 195 -- 42.30.270 when it reasonably appears to an authorized represen-
7 tative of the department that the continued operation of the vehicle
8 would jeopardize the public safety; if an authorized department rep-
9 resentative discovers a safety violation that in the representative's
10 opinion will not cause an accident or breakdown, the representative
11 may order the vehicle to proceed to a designated repair area where the
12 violation must be corrected before the vehicle departs the area;

13 (4) issue a citation for a violation of a regulation or
14 statute administered by the department; and

15 (5) apply to a court for an appropriate order or fine.

16 (b) The department may apply to the superior court for the
17 enforcement of a statute or regulation, or decision of the department
18 to suspend or revoke the registration of a motor carrier or air carri-
19 er under AS 42.30.240. The court may enforce obedience by any pro-
20 cess, including the restraint of the person and the person's officers,
21 agents, employees and representatives, from further violation.

22 (c) A motor vehicle or aircraft, used by a motor carrier or air
23 carrier without obtaining valid registration under the applicable pro-
24 visions of AS 42.30.215, 42.30.220, and 42.30.225, or used after
25 registration has been revoked under AS 42.30.240(b), may be seized by
26 the department. Upon conviction of the offender or by other judgment
27 of the court, a motor vehicle or aircraft used in violation of these
28 registration requirements is forfeited to the state and must be dis-
29 posed of as directed by the court. If sold, the proceeds of the must

1 be transmitted to the proper state officer for deposit in the general
2 fund of the state treasury. Motor vehicles or aircraft seized, unless
3 forfeited by order of the court, must be returned after the final
4 court decision and payment of any criminal fines and civil penalties.

5 Sec. 42.30.250. VIOLATION A MISDEMEANOR. A person who knowingly
6 fails or refuses to comply with a provision of AS 42.30.195 -- 42.-
7 30.270, a regulation or decision of the department, or a final order
8 or decree of a court, or who knowingly procures, aids, or abets such a
9 violation, is guilty of a misdemeanor, and, upon conviction, must be
10 sentenced to pay the costs of prosecution and a fine of not more than
11 \$500 for each offense.

12 Sec. 42.30.255. CIVIL PENALTIES FOR OPERATING WITHOUT REGISTRA-
13 TION. A motor carrier or air carrier, whose registration is suspended
14 under AS 42.30.240(a), and who operates a motor vehicle or aircraft
15 without the insurance or bond required by AS 42.30.200 and 42.30.205,
16 or a motor carrier or air carrier that operates a motor vehicle or
17 aircraft without obtaining valid carrier registration under AS 42.-
18 30.215, 42.30.220 or 42.30.225 or operates while carrier registration
19 is revoked under AS 42.30.240(b), is subject to a civil penalty of not
20 more than \$1,000 or an amount equal to revenue the carrier earned as a
21 result of the illegal operation, whichever is greater. This civil
22 penalty is in addition to any other civil or criminal penalties and
23 remedies provided by law, and may only be levied by a court of compe-
24 tent jurisdiction.

25 Sec. 42.30.260. EACH VIOLATION A SEPARATE OFFENSE. Each viola-
26 tion, by a motor carrier, air carrier, or other person, of the pro-
27 visions of AS 42.30.195 -- 42.30.270, or of a decision or regulation
28 of the department, is a separate offense. In case of a continuing
29 violation, each day's continuance is a separate offense.

1 Sec. 42.30.265. PENALTIES CUMULATIVE; RECOVERY. (a) All penal-
2 ties incurred under AS 42.30.195 -- 42.30.270 are cumulative; an
3 action for the recovery of one penalty is not a bar to and does not
4 affect the recovery of any other penalty, and is not a bar to a crim-
5 inal prosecution and imposition of a fine against a motor carrier, air
6 carrier, or an officer, director, agent, or employee of a motor carri-
7 er or air carrier, or any other person.

8 (b) Neither a criminal prosecution nor an action to recover a
9 penalty is a bar to an enforcement proceeding to require compliance,
10 nor to any other remedy provided by AS 42.30.195 -- 42.30.270.

11 (c) An action to recover a penalty or impose a fine under
12 AS 42.30.195 -- 42.30.270 must be brought by the attorney general in a
13 court of competent jurisdiction. All fines imposed and all penalties
14 recovered under this chapter must be paid to the court and deposited
15 by it in the general fund of the state.

16 Sec. 42.30.270. DEFINITIONS. For the purposes of AS 42.30.-
17 195 -- 42.30.270,

18 (1) "air carrier" means a person undertaking to engage in
19 air commerce, whether directly or indirectly, or by lease, contract,
20 or any other arrangement, and whether over regular or irregular
21 routes;

22 (2) "air commerce" means carriage by aircraft of persons or
23 property, for compensation or hire, in intrastate commerce, including
24 the carriage by aircraft of persons or property which move partly by
25 aircraft and partly by other forms of transportation;

26 (3) "aircraft" means a device used or designed for flight
27 in the air;

28 (4) "department" means the Department of Public Safety;

29 (5) "motor carrier" includes

1 (A) a person who undertakes to transport property or
2 persons for the general public by motor vehicle, for compensa-
3 tion, including motor vehicle operations of other carriers by
4 rail or water and of express or forwarding companies;

5 (B) a person who leases, rents, or provides a motor
6 vehicle for the use of another in transporting property or per-
7 sons, and who provides, procures, or arranges for, directly or
8 indirectly, a driver or operator for the motor vehicle; or who
9 provides the necessary authority for the use of the vehicle on a
10 public highway, except when the motor vehicle is leased to another
11 carrier;

12 (C) a person engaged in the business of providing,
13 contracting for, or undertaking to provide, transportation of
14 property, for compensation, over the public highways as a broker
15 or forwarder;

16 (D) a person who transports by motor vehicle, with or
17 without compensation, property that is owned or is being bought
18 or sold by that person, or property of which that person is the
19 seller, purchaser, lessee, or bailee, and the transportation is
20 incidental to and in furtherance of some other primary business
21 conducted by the person in good faith;

22 (E) except when the motor vehicle is leased to another
23 carrier, a person who rents, leases, or otherwise provides a
24 motor vehicle for the use of others in transporting passengers or
25 property, but who does not provide, procure, or arrange for,
26 directly or indirectly, an operator for the vehicle;

27 (F) a person who, under special and individual con-
28 tracts or agreements, transports property by motor vehicle, for
29 compensation;

1 (6) "motor vehicle" means a truck, tractor, wrecker, tow
2 car, bus, van, hearse, ambulance, or other self-propelled or motor-
3 driven vehicle used upon any public highway of this state for the
4 purpose of transporting property or persons, which is not exempted
5 under AS 42.30.197;

6 (7) "property" means all commodities, articles, and cargo,
7 of whatever nature or value, excluding garbage, refuse, trash, or
8 other waste material;

9 (8) "public highway" means every street, road, or highway
10 in this state;

11 (9) "seating capacity" includes a space capable of accommo-
12 dating an average-sized adult, if the overall seat configuration and
13 design, and vehicle design, are such that the position is likely to be
14 used as a seating position while the vehicle is in motion, but does
15 not include auxiliary seating accommodations such as temporary or
16 folding jump seats;

17 (10) "vehicle" includes every device capable of being moved
18 upon a public highway and in, upon, or by which a person or property
19 is or may be transported or drawn upon a public highway; the term does
20 not include a device moved by human or animal power or used exclusive-
21 ly upon stationary rails or tracks.

22 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
23 10.070(c).