

ALASKA LEGISLATURE

1739

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998

SB

21

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: May 2, 1997

FURTHER REFERRALS:

Date of Committee Action: 5/11/97

The FINANCE Committee considered:

CSSB 21(FIN)

CS FOR SENATE BILL NO. 21(FIN)

ALASKA MARINE HIGHWAY AUTHORITY

"An Act relating to ferries and ferry terminals, establishing the Alaska Marine Highway Authority, and relating to maintenance of state marine vessels; and providing for an effective date."

recommends it be replaced with the following committee substitute _____ the same title a new title

additional referral to _____ Committee

3 attached amendment(s) (#1) (#4) (#6)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____

fiscal note(s) SFC 4/29/97

zero fiscal note(s) _____

zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i> J. DAMES			X	
<i>[Signature]</i> Grussendorf			X	
<i>[Signature]</i> Kohring				X
<i>[Signature]</i> G. DAVIS			X	
<i>[Signature]</i> martin			X	
<i>[Signature]</i> Foster		X		
<i>[Signature]</i> Hanley			X	
<i>[Signature]</i> Thurnhalt	X		X	
<i>[Signature]</i> Kelly			X	

CHAIR'S SIGNATURE

[Signature] *[Signature]*

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 3 CORRECTED
 Bill version: CS98 21 (FIN)
 (S) Publish Date: 4-29-97
 Dept. Affected DOT/PF
 BRU Marine Administration
 Component Administration
 Component Serial No. 621

Revision Date: 04/11/97
 Title: An Act... establishing Alaska Marine Highway Authority and relating to maintenance of state marine vessels...
 Sponsor: Senator Robin Taylor, Pearce
 Requester: Senate Transportation

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel	62.6	101.4	77.5	77.5	77.5	77.5
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	62.6	101.4	77.5	77.5	77.5	77.5

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF	62.6	101.4	77.5	77.5	77.5	77.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	62.6	101.4	77.5	77.5	77.5	77.5

Estimate of any current year (FY97) cost: 0.0

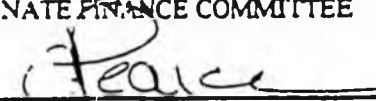
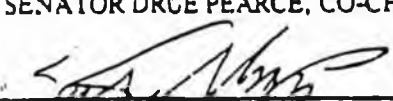
POSITIONS

POSITIONS	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The following assumptions were used:

- (1) On or after 1/1/98, appointed authority directors will begin meetings. Assume 50 business days of meetings during first year of operations, dropping to 30 business days thereafter.
- (2) Travel and per diem expenses calculated based on 4 of 8 appointed directors traveling to Juneau from Ketchikan, Seward and Anchorage; however, actual locations are unknown at this time. Travel and per diem expenses calculated using existing airfares, lodging and meal allowances; no inflationary increases included.
- (3) Assumes chief executive officer's annual compensation at same level as current Marine Highway System director.

Prepared by: SENATE FINANCE COMMITTEE

SENATOR DRUE PEARCE, CO-CHAIR

SENATOR BERT SHARP, CO-CHAIR

Date: 4/25/97
 Phone: 465-4993
 Phone: 465-3004

adopted NO OBJ

~~#~~ 5

Amendment

~~#~~ 3

pg 23

LINE 4

DELETE

12/1/97

INSERT

1/1/98

pg 23

LINE 9

DELETE

1/1/98

INSERT

1/1/99

A10 0Bj 5/11/97

#1

AMENDMENT

OFFERED IN THE HOUSE

BY REP. DAVIS

TO: SB 21

1 Page 17, lines 27-28:

2 Delete "located outside of the state"

3 Page 17, line 29:

4 Delete "outside of the state"

5 Page 17, line 31:

6 Delete "Alaska"

7 Insert "the designated base port"

Failed 2-5 5/11/97
#2

A M E N D M E N T

BY: G. DAVIS withdrawn
FOSTU moved

TO: CS SB 21 (FIN)

Section 2, page 2, is amended:

Delete lines 12 through 15

Section 2, lines 16 - 22 is amended to read:

(1) [(2)] three [two] persons who are residents of Southeast Alaska, have a significant high level of experience in the private sector, and are not employees of the authority;

(2) [(3)] two [one] persons who are [is a] residents of the Gulf of Alaska area west of Icy Cape, have [has] a significant high level of experience in the private sector, and is not an employee of the authority; and

(3). [(4)] a person who represents the interests of the public.

Withdrawn
A M E N D M E N T

#3
5/11/97

BY: G. DAVIS

TO: CS SB 21 (FIN)

Page 16, lines 21 - 31 and Page 17, lines 1 through 8:

Delete all material.

Page 17, lines 9 - 31 and Page 18, lines 1 and 2:

Delete all material.

Add a new section to read:

*Sec. Section 5, ch. 94, SLA 1992 is amended to read:

*Sec. 5. AS 36.90.050 is repealed August 30, 2002 [1997].

NO OBJ 5/11/97 #4

A M E N D M E N T

BY: Grassman

TO: CS SB 21 (FIN)

Section 5, Page 9, lines 24 through 30 is amended to read:

Sec. 19.55.140. Comprehensive long-range plan. The authority, with the cooperation of the Department of Transportation and Public Facilities, shall prepare a comprehensive long-range plan for the development and improvement of the Alaska marine highway system and shall revise and update the plan at least every five years. The plan shall include in detail the amount and sources of funding for the operating and capital improvement needs of the Alaska marine highway system for five fiscal years. The authority shall submit the plan and revisions and updates of the plan to the legislature.

5/11/97

Comment to AMHS Fiscal Note Prepared for SB 192

May 9, 1997

The following comments refer to the ANALYSIS section of the fiscal note prepared by AMHS for SB 192. The item numbers here are the same as used in the fiscal note for ease of reference.

Analysis Item 1 & 2:

The basis for determination of the combined value of \$828,000 for these two items is merely speculative and ignores historical information that contradicts the assertions leading to this cost.

The true cost of performing AMHS repair projects can only be seen by comparing actual historical project costs.

Examination of previous bid results suggests a totally different conclusion from what this fiscal note suggests when comparing the costs of performing AMHS work in Puget Sound with costs for performing the same work in Alaska. For example:

The Malaspina was overhauled in Ketchikan in the spring of 1995 and the prices were arrived at by **negotiation**; a process SB 192 preserves. The following fall the Malaspina was again laid up with prices for repetitive items resulting from bids by Todd Shipyard in Seattle. A look at a selected few of these repetitive items shows a savings to AMHS by having the work negotiated in Alaska; not a cost.

Repair Item	Ketchikan Cost Negotiated	Todd Cost Bid
Definite Items	\$135,176	\$135,401
Contingency Items	\$38,068	\$54,646
Shaft Hub Removal & Hub Inspection	\$82,830	\$99,997
Oily Water & Waste Oil	\$4,800	\$2,286
Vent Duct Cleaning	\$19,222	\$8,940
Bilge Cleaning	\$9,994	\$7,021
Total of Items	\$290,088.00	\$308,291.00
AMHS Savings for Work in Alaska for selected repetitive items	\$18,203	

Comparing recent project bid costs between Seattle and Alaska also challenges this fiscal note.

Vessel	Alaska Shipyard	Puget Sound Shipyard	% Saving for Work in AK
Matanuska	\$3,662,783	\$3,684,041	.58 %
Tustumena	\$ 823,113	\$ 938,270	12.27 %
Aurora	\$2,572,367	\$2,495,792	(2.98) %
Average Savings on AMHS Work Performed in Alaska			3.98 %

The above table shows a savings to AMHS of almost 4% by having work performed in Alaska shipyards compared to Puget Sound shipyards. These results do not support the 20% plus cost this fiscal note suggests SB 192 creates. Historically, the fiscal note cannot be supported.

One other positive aspect of having a full interport disclosure for each bid, as this bill requires, is the fact that it will force out of state shipyards to bid with sharp pencils as long as Alaskan yards are competing for these projects. We can also see that negotiating work can provide additional savings over bidding items.

A final word on drawing conclusions from the Northern Economic reports is, that those reports say Alaskan shipyards can be competitive on projects up to \$500,000. It is not apparent that this side of the equation was considered when arriving at the total \$828,000 cost suggested by this fiscal note.

Analysis Item 3

It is unclear if this is a new cost or an additional cost to AMHS resulting from the requirement for making a determination. A Commissioner's determination has always been required, SB 192 only asks that the benefits to Alaska be considered. Has AMHS contracted out in the past to arrive at a Commissioner's determination?

Analysis Item 4

The total interport differential cost provided by AMHS here, \$687,400, breaks down to about \$85,000 per vessel.

This level of interport differential is entirely consistent with the intent of Section 2 (d) (2) of this bill that sets forth a method for determining, stating and disclosing interport differential savings.

Analysis Items 5 6 & 7

There are some AMHS tasks that cost more to perform in Alaska. If this were not the case, this bill wouldn't be necessary.

In looking at the bid tabs for specific items, as in the first table above, we can see that the \$10,000 note for item 8, Oily Waste Removal, may be excessive. I would suggest that the average cost of this item for each overhaul should be closer to \$2,000 to \$3,000. But this only debates the question of whether or not these costs are reasonable. The issue here is, do these costs belong in a fiscal note where \$687,000 can be saved by doing all of our AMHS work in Alaska as suggested by the negative note attached to item 4. The negative note in item 4 easily covers these few costs and supports the intent and purpose for this entire SB 192.

FISCAL NOTE

2

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB 192

Revision Date: _____	Dept. Affected: <u>DOT/PF</u>
Title: <u>An Act . . . relating to maintenance of state marine vessels; and providing for an effective date.</u>	BRU: <u>Marine Engineering</u>
Sponsor: <u>Senators Robin Taylor;</u>	Component: <u>Overhaul</u>
Requester: <u>Senate Transportation</u>	COMPONENT SERIAL NO. <u>1212</u>

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	325.6	325.6	325.6	325.6	325.6	325.6
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	325.6	325.6	325.6	325.6	325.6	325.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 97	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF	325.6	325.6	325.6	325.6	325.6	325.6
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	325.6	325.6	325.6	325.6	325.6	325.6

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

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The following calculations do not include any inflationary increases.

1. Labor rate differential 20% higher (\$2,000.0 X 20% = \$400.0).
2. Materials cost differential 21.4% higher (\$2,000.0 x 21.4% = \$428.0)
(Note: Items 1 and 2 are based on the "Update of the Economic and Financial Feasibility of the Ketchikan Shipyard" - document prepared by Northern Economics for AIDEA 2/6/96.)
3. Required economic analysis based on conditions contained in SB 192 for eight vessels, this assumes outside contract assistance at \$20.0.
4. Less the Interport differential based on 8 marine vessels to Puget Sound (based on most recent bids) - \$687.4
5. Added cost for M/V Columbia Main Engine Maintenance Contract for work performed in Ketchikan \$35.0
6. Additional travel and per diem for Technical Representatives and American Bureau of Shipping (ABS) to travel to Ketchikan \$40.0
7. Additional freight for shipments of hazardous materials from Seattle to Ketchikan i.e., paint and other materials considered hazardous \$10.0
8. Oily Waste Removal for 8 vessels at \$10.0 each for a total of \$80.0

Prepared by: Gary L. Hayden, System Director
 Division: Alaska Marine Highway System
 Approved by: *Joseph L. Perkins*
 Agency: Department of Transportation and Public Facilities

Phone: 465-3959
 Date: 5/7/97
 Date: _____

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FISCAL NOTE

No. 3 CORRECTED

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Bill version: CSSB 21 (FIN)

(S) Publish Date: 4-29-97

Revision Date: 04/11/97
 Title: An Act...establishing Alaska Marine Highway Authority and relating to maintenance of state marine vessels...
 Sponsor: Senator Robin Taylor, Pearce
 Requester: Senate Transportation

Dept. Affected DOT/PF
 BRU Marine Administration
 Component Administration
 Component Serial No. 621

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel	62.6	101.4	77.5	77.5	77.5	77.5
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	62.6	101.4	77.5	77.5	77.5	77.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES []						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF	62.6	101.4	77.5	77.5	77.5	77.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	62.6	101.4	77.5	77.5	77.5	77.5

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The following assumptions were used:

- (1) On or after 1/1/98, appointed authority directors will begin meetings. Assume 50 business days of meetings during first year of operations, dropping to 30 business days thereafter.
- (2) Travel and per diem expenses calculated based on 4 of 6 appointed directors traveling to Juneau from Ketchikan, Seward and Anchorage; however, actual locations are unknown at this time. Travel and per diem expenses calculated using existing airfares, lodging and meal allowances; no inflationary increases included.
- (3) Assumes chief executive officer's annual compensation at same level as current Marine Highway System director.

Prepared by: SENATE FINANCE COMMITTEE

Date: 4/25/97

Drue Pearce
 SENATOR DRUE PEARCE, CO-CHAIR

Phone: 465-4993

Bert Sharp
 SENATOR BERT SHARP, CO-CHAIR

Phone: 465-3004

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 21(FIN)

Revision Date: 5/10/97 Dept. Affected: DOT/PF
 Title: An Act . . . establishing Alaska Marine Highway BRU: Marine Administration
 Authority and relating to maintenance of state marine vessels... Component: Administration
 Sponsor: Senators Robin Taylor, Pearce
 Requester: Senate Transportation COMPONENT SERIAL NO. 621

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	275.0	275.0	275.0	275.0	275.0	275.0
TRAVEL	75.2	121.7	93.0	93.0	93.0	93.0
CONTRACTUAL SUPPLIES	424.0	388.0	388.0	388.0	388.0	388.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	774.2	784.7	756.0	756.0	756.0	756.0

CAPITAL EXPENDITURES	325.6	325.6	325.6	325.6	325.6	325.6
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,099.8	1,110.3	1,081.6	1,081.6	1,081.6	1,081.6
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	1,099.8	1,110.3	1,081.6	1,081.6	1,081.6	1,081.6

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

POSITIONS

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

1. On or after 1/1/98, appointed authority directors will begin meetings. Assumes 50 business days of meetings during the first year and dropping to 30 business days thereafter. \$90.0(50x\$300x6=\$90.0) is included in FY98 contractual for the \$300 per director per day cost. Beginning in FY99, \$54.0(30x\$300x6=\$54.0) is included in contractual for payment of directors.
 2. Travel and per diem expenses are calculated based on 4 of the 6 appointed directors traveling to Juneau from Ketchikan. Seward and/or Anchorage. Travel and per diem expenses calculated using existing airfares, lodging and meal allowances; no inflationary increases included.
 3. Assumes the same wage and benefits of the current director and secretary removed from the FY98 AMHS budget in Conference Committee(\$195.0). Without restoring the funding and positions, the board would not have a mechanism for filling and/or funding the Executive Director position. Given the reductions to the other AMHS operating units, there would not be any existing secretarial or clerical support for the Executive Director. In addition, due to the new language inserted in Section 31 dealing with the employees of the authority, funding and a Labor Relations Specialist III position at \$80.0 is added. The change to this section puts full responsibility for all matters relating to contract negotiation, grievance resolution, arbitration, Letters of Agreement, etc. in the Authority. This cannot be handled with the existing staff and certainly not with the reduced staff as a result of the FY98 Conference Committee reductions to Support Services (\$281.7).
- (continued on Page 2...)

Prepared by: Gary L. Hayden, System Director
 Division: Alaska Marine Highway System
 Approved by: *Joseph L. Perkins*
 Agency: Department of Transportation and Public Facilities

Phone: 465-3959
 Date: 5/10/97
 Date: 5/10/97

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5/11/97

SOUTHEAST CONFERENCE

An Alaska Regional Development Organization and USDA Resource Conservation and Development Council

**STATEMENT
OF
BERNE C. MILLER, EXECUTIVE DIRECTOR OF SOUTHEAST CONFERENCE
BEFORE
HOUSE FINANCE COMMITTEE
May 10, 1997**

Good Morning....

I name is Berne Miller. I am Executive Director of Southeast Conference. I am here today to talk about the Alaska Marine Highway System.

The Alaska Marine Highway System is the "road" through Southeast Alaska. The System is nothing more, and nothing less, than the lifeblood of our region's economic strength and social well-being. If the System is allowed to atrophy, our region will wither and die.

On April 30, we wrote to the Co-Chairs about creation of an Alaska Marine Highway Authority. Some people have characterized our letter as an effort to torpedo creation of an Authority - that is not our intent. Some have said our letter aligns us politically with one or more of the factions who oppose creation of an authority - we seek no such alignment.

Our interest is in the economic and social well-being of Southeast Alaska as a region. The Alaska Marine Highway System is too important to our region's people and communities for us to give any priority to passage or defeat of any particular legislation or to seek political alignment with any of the contending factions. The Conference has and always will advocate common sense and careful deliberation in public decisionmaking, particularly in matters as important as this.

For years, many people have pointed out many problems with Marine Highway System organization, funding, operations, and maintenance. Today, critics are saying: "Create an Authority and hire an experienced Director, and they will figure out how to fix it." But there has been precious little discussion of the "it", the massive changes many say are needed to solve the problems, let alone any discussion of whether the System has been provided the funds needed to implement any kind meaningful change at all! Because of this lack of discussion and information, there is a high level of frustration around the region and a lack of consensus about changes that must be made to sustain and improve the Marine Highway System over the long term.

Southeast Conference consistently advocates public decisionmaking based on common sense, foresight, and thoughtful planning. In this case, the Conference is in favor of deliberate consideration of the organizational, funding, operational, and managerial changes needed, along with a determination of whether the resources required to implement significant changes are available and, if resources are not available, whether there is any likelihood resources will be provided in the future.

The Alaska Marine Highway System is too important to the people and communities of Southeast Alaska to go at making changes piecemeal. At this point, Southeast Conference advocates foresight and thoughtful planning and is, therefore, neither in favor of nor opposed to creation of an Alaskan Marine Highway Authority.

Thank you.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 21(FIN)

Revision Date: 5/10/97 Dept. Affected: DOT/PF
 Title: An Act . . . establishing Alaska Marine Highway BRU: Marine Administration
 Authority and relating to maintenance of state marine vessels... Component: Administration
 Sponsor: Senators Robin Taylor, Pearce
 Requester: Senate Transportation COMPONENT SERIAL NO. 621

Expenditures/Revenues

(Thousands of Dollars)

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CONTRACTUAL	424.0	388.0	388.0	388.0	388.0	388.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	774.2	784.7	756.0	756.0	756.0	756.0

CAPITAL EXPENDITURES	325.6	325.6	325.6	325.6	325.6	325.6
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,099.8	1,110.3	1,081.6	1,081.6	1,081.6	1,081.6
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	1,099.8	1,110.3	1,081.6	1,081.6	1,081.6	1,081.6

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

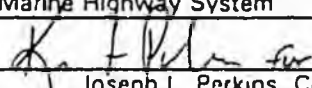
POSITIONS

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

1. On or after 1/1/98, appointed authority directors will begin meetings. Assumes 50 business days of meetings during the first year and dropping to 30 business days thereafter. \$90.0(50x\$300x6=\$90.0) is included in FY98 contractual for the \$300 per director per day cost. Beginning in FY99, \$54.0(30x\$300x6=\$54.0) is included in contractual for payment of directors.
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(continued on Page 2...)

Prepared by: Garv L. Hayden, System Director
 Division: Alaska Marine Highway System
 Approved by: 
 Agency: Department of Transportation and Public Facilities

Phone: 465-3959
 Date: 5/10/97
 Date: 5/10/97

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In addition, there will be an additional contractual service cost to the authority as a result of this new responsibility of \$35.0 annually. This is based on 10 arbitrations annually (standard for AMHS - \$60.0) and assumes successful 60% of the time. This would be a new expenditure for the authority. It should also be noted that the amount shown in the travel line includes additional travel as a result of increased travel necessitated by the contract negotiations and arbitrations. There is not sufficient funding to support this in the Administration component.

- (4) Assumes authority directors will require consultants and/or additional data management systems to assist in informed decisions for changes to the operations. It also assumes contracting out schedule development, public involvement process, and marketing the system. The budget reductions in Vessel Operations Management and Reservations and Marketing (\$334.0) removes any support for these areas from the FY98 budget. Therefore, this amount is included in the contractual services line.
- (5) Assumes necessity of leased office space at 1.91 per square foot for 19,700 sq.ft. Space is currently provided by Department of Administration. This is based on current space utilization for Juneau based employees. This is included as a cost starting in FY99.
- (6) Assumes an additional capital cost of approximately \$325.6 annually to perform all annual maintenance on the marine vessels in Alaska. This is based on the sunset of AS 36.90.050 effective August 30, 1997, and therefore the comparison is based on no exemption and the proposed language in this bill.

The following calculations do not include any inflationary increases.

- 1. Labor rate differential 20% higher ($\$2,000.0 \times 20\% = \400.0).
- 2. Materials cost differential 21.4% higher ($\$2,000.0 \times 21.4\% = \428.0)
(Note: Items 1 and 2 are based on the "Update of the Economic and Financial Feasibility of the Ketchikan Shipyard" - document prepared by Northern Economics for AIDEA 2/6/96.)
- 3. Required economic analysis based on conditions contained in SB 192 for eight vessels, this assumes outside contract assistance at \$20.0
- 4. Less the Interport differential based on 8 marine vessels to Puget Sound (based on most recent bids) -\$687.4
- 5. Added cost for M/V Columbia Main Engine Maintenance Contract for work performed in Ketchikan \$35.0
- 6. Additional travel and per diem for Technical Representatives and American Bureau of Shipping (ABS) to travel to Ketchikan \$40.0
- 7. Additional freight for shipments of hazardous materials from Seattle to Ketchikan i.e., paint and other materials considered hazardous \$10.0
- 8. Oily Waste Removal for 8 vessels at \$10.0 each for a total of \$80.0

This does not include any costs associated with performing direct and indirect economic analysis of benefits to the economy and labor force in the state derived from performing vessel maintenance and repair at a facility in state as provided in Section 2, since it is unclear as to how this would be accomplished. It does not include any warehouse costs which must be absorbed 7/1/99 (est. @ \$60.0 thousand per annum).

May 10, 1997

5/11/97

SOUTHEAST CONFERENCE

An Alaska Regional Development Organization and USDA Resource Conservation and Development Council

**STATEMENT
OF
BERNE C. MILLER, EXECUTIVE DIRECTOR OF SOUTHEAST CONFERENCE
BEFORE
HOUSE FINANCE COMMITTEE
May 10, 1997**

Good Morning...

I name is Berne Miller. I am Executive Director of Southeast Conference. I am here today to talk about the Alaska Marine Highway System.

The Alaska Marine Highway System is the "road" through Southeast Alaska. The System is nothing more, and nothing less, than the lifeblood of our region's economic strength and social well-being. If the System is allowed to atrophy, our region will wither and die.

On April 30, we wrote to the Co-Chairs about creation of an Alaska Marine Highway Authority. Some people have characterized our letter as an effort to torpedo creation an Authority - that is not our intent. Some have said our letter aligns us politically with one or more of the factions who oppose creation of an authority - we seek no such alignment.

Our interest is in the economic and social well-being of Southeast Alaska as a region. The Alaska Marine Highway System is too important to our region's people and communities for us to give any priority to passage or defeat of any particular legislation or to seek political alignment with any of the contending factions. The Conference has and always will advocate common sense and careful deliberation in public decisionmaking, particularly in matters as important as this.

For years, many people have pointed out many problems with Marine Highway System organization, funding, operations, and maintenance. Today, critics are saying: "Create an Authority and hire an experienced Director, and they will figure out how to fix it." But there has been precious little discussion of the "it", the massive changes many say are needed to solve the problems, let alone any discussion of whether the System has been provided the funds needed to implement any kind meaningful change at all! Because of this lack of discussion and information, there is a high level of frustration around the region and a lack of consensus about changes that must be made to sustain and improve the Marine Highway System over the long term.

Southeast Conference consistently advocates public decisionmaking based on common sense, foresight, and thoughtful planning. In this case, the Conference is in favor of deliberate consideration of the organizational, funding, operational, and managerial changes needed, along with a determination of whether the resources required to implement significant changes are available and, if resources are not available, whether there is any likelihood resources will be provided in the future.

The Alaska Marine Highway System is too important to the people and communities of Southeast Alaska to go at making changes piecemeal. At this point, Southeast Conference advocates foresight and thoughtful planning and is, therefore, neither in favor of nor opposed to creation of an Alaskan Marine Highway Authority.

Thank you.

Alaska State Legislature

Chairman.
Judiciary Committee

Member.
Resources Committee
Rules Committee
Committee on Committees



State Capitol
Juneau, Alaska 99801-1182
(907) 465-3873
Fax: (907) 465-3922

352 Front Street
Ketchikan, Alaska 99901
(907) 225-8088
Fax: (907) 225-0713

Senator Robin L. Taylor
Senate Majority Leader

Sponsor Statement

Senate Bill 21

Senate Bill 21 would establish an Alaska Marine Highway Authority to assume management of the Marine Highway System from the Department of Transportation and Public Facilities.

The Authority would be a public corporation of the state as an instrumentality of DOT/PF, but would have a legal existence independent and separate from the state. The new Authority would be comparable to the Alaska Housing Finance Corporation or the Alaska Industrial Development and Export Authority.

The powers of the authority would rest with a seven member Board, appointed by the Governor. One member would be the Commissioner of Transportation. The six other members would be required to have experience in maritime affairs, would serve staggered five year terms and would be subject to legislative confirmation. The Board would hire the system director.

Establishment of such an authority board would bring maritime experience, accountability and continuity to the management of the Alaska Marine Highway System.

Based on information gathered at public hearings over the interim, the Senate Task Force on the Alaska Marine Highway System concluded that the legislature should consider the creation of such an Authority.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

Sponsor Statement

SB 21

Page Two

Testimony received by the Task Force indicated that DOT management of the Marine Highway lacks focus and that AMHS administration under DOT lacks maritime experience.

Management under DOT has become insular and is unresponsive to input from vessel employees and the general public. Scheduling is chaotic and the fare structure has discouraged ridership. The reservations system has been an abject failure.

While concerns over funding levels are valid, the naturally bureaucratic mind-set of the Department has tightened what former director Jim Ayers termed a "death spiral".

Establishment of the Alaska Marine Highway Authority will not be a panacea, but will give the system a new perspective.

This bill has earned the endorsement of the Inland Boatmen's Union of the Pacific, the International Organization of Masters, Mates and Pilots and the Marine Engineers Beneficial Association. These unions represent the majority of AMHS employees.

SB 21 has also been endorsed by the Ketchikan City Council, the Ketchikan Gateway Borough Assembly, the Ketchikan Indian Corporation, the Greater Ketchikan Chamber of Commerce and the Ketchikan Visitors Bureau.

INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS

PACIFIC MARITIME REGION

2333 Third Avenue ★ Seattle, Washington 98121-1711 ★ Telephone: (206) 441-1070 ★ Fax: (206) 443-3752



April 11th, 1997

THE HONORABLE SENATOR ROBIN TAYLOR

Dear Senator Taylor,

On behalf of the majority of members of the International Organization of Masters, Mates and Pilots, who are employed with the Alaska Marine Highway System, I would like to express our sincere appreciation for your support of the proposed Marine Highway Authority Legislation (Senate Bill 21 and House Bill 88).

The Pacific Maritime Region of this Organization represents the Licensed Deck Officers on Alaska Marine Highway System vessels. In the past few days, I have received written statements of support of the proposed Legislation from over forty of our Alaska members. They are well-aware of your efforts to make passage of this very important Legislation possible, and have proclaimed their appreciation for those efforts.

We are grateful for the opportunity to work with you on this issue. If there is anything our members can do to support your efforts on this Legislation, please do not hesitate to get in touch with this Office.

Again, our sincere gratitude for your leadership on this issue.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steven J. Demeroutis".

CAPTAIN STEVEN J. DEMEROUTIS, President
International Organization of Masters, Mates and Pilots
Pacific Maritime Region

SJD:s



**District No. 1
Marine Engineers Beneficial
Association
(AFL-CIO)**

Greg O'Claray
Director, Legislative & Governmental Affairs

April 15, 1997

Senator Robin Taylor
Alaska State Legislature
State Capitol
Juneau, Alaska 99811

Re: Alaska Marine Highway Authority Legislation

Dear Senator Taylor,

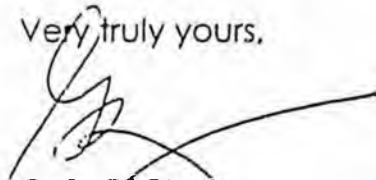
This is to inform you that District No. 1, MEBA is in support of legislation you have proposed creating the Alaska Marine Highway Authority.

Members of the Union employed as Licensed Engineer Officers aboard Alaska Marine Highway System vessels support the proposed legislation and view it as beneficial to the continued viability of the System and the communities it serves.

Vessel employees remain concerned that under the current structure, budget cuts and reduced authorizations to expend system generated revenues will continue to erode the ability of the system to deliver vital service to the public.

We appreciate your efforts and your assistance to keep AMHS viable during these challenging times.

Very truly yours,



G. S. O'Claray
Director, Legislative & Governmental Affairs



Inlandboatmen's Union of the Pacific

MARINE DIVISION — INTERNATIONAL LONGSHOREMEN'S & WAREHOUSEMEN'S UNION
NATIONAL OFFICE • 500 JOHN STREET • SEATTLE, WA 98109 • (206) 448-9736 • FAX: 448-9738



March 19, 1997

Senator Robin Taylor
Senate Majority Leader
Room 30
Capital Building
Juneau AK 99801

Dear Senator Taylor:

At the recent March 17, 1997 special Executive Committee meeting of the Inlandboatmen's Union of the Pacific, Alaska Region your bill SB 21 concerning the Alaska Marine Highway Authority was reviewed and discussed at length.

The Inlandboatmen's Union of the Pacific, Alaska Region by a majority vote of the Executive Committee extends its support of SB 21.

You may feel free to use this letter in any manner as you see fit. Thank you for all your time and assistance for the employees of the Alaska Marine Highway System.

Sincerely,

Bonnie Herbold for the

IBU-P Alaska Executive Committee
Inlandboatmen's Union of the Pacific, Alaska Region

OPEIU Local 8/bh

EXROB1319.DOC

REGIONAL OFFICES

PUGET SOUND
500 John Street
Seattle, WA 98109
(206) 441-3111
FAX: (206) 448-9738

REGION 37
500 John Street
Seattle, WA 98109
(206) 448-6584
FAX: (206) 448-9738

COLUMBIA RIVER
2435 NW Front Ave.
Portland, OR 97209
(503) 224-6000
FAX: (503) 223-2334

SAN FRANCISCO
450 Harrison Street
San Francisco, CA 94103
(415) 898-1224
FAX: (415) 898-1224

HAWAII
1001 Dillingham Blvd., Rm. 217
Honolulu, HI 96817
(808) 847-0861
FAX: (808) 847-8051

SOUTHERN CALIFORNIA
728 Lagoon Avenue
Wilmington, CA 90744
(310) 549-6730
FAX: (310) 549-8811

ALASKA
Post Office Box 8300
Ketchikan, AK 99901
(907) 225-6340
FAX: (907) 225-8858

JUNEAU
231 E. Prud'homme St. 201
Juneau, AK 99801
(907) 584-8200
FAX: (907) 548-8222

202

ALASKA * I B U * J U N E A U * A L A S K A

0 4 . 1 5 . 9 7 0 9 : 5 2 A M * J A V 2 9 1 0 2 6

KETCHIKAN GATEWAY BOROUGH

RESOLUTION NO. 1325

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA SUPPORTING SENATE BILL NO. 21, RELATING TO FERRIES AND FERRY TERMINALS, ESTABLISHING THE ALASKA MARINE HIGHWAY AUTHORITY, AND RELATING TO MAINTENANCE OF STATE MARINE VESSELS; AND ESTABLISHING AN EFFECTIVE DATE.

RECITALS

A. The Alaska Marine Highway is the main component of the transportation system in Southeast Alaska providing all of the principle cities of Southeastern Alaska and the transcontinental railroads and highways at Prince Rupert, British Columbia and Bellingham, Washington and the Southcentral Alaska highway system at Haines, Alaska.

B. The Alaska Marine Highway system provides Southeast Alaska and visitors with links to major medical, trading and transportation centers. Residents and visitors depend on the Alaska Marine Highway System for appointments with doctors, dentists, lawyers, accountants and other professional businesses. Interaction between Prince of Wales Island and Ketchikan Gateway Borough is essential.

C. The purpose of the Bill is to establish an authority for the operation, management, planning, construction and maintenance of facilities for the marine highway system. The authority shall be the exclusive state agency directly associated with the operation, management, planning, construction and maintenance of facilities for the marine highway system.

D. Today, Alaska has an expanded system that has evolved to meet the ever increasing demand of the people and communities of Alaska for more efficient service and enhancement of economic development through tourism, mail and freight deliveries.

E. An Alaska Marine Highway Authority would assist the residents, businesses, and communities of the state in obtaining optimal marine passenger and freight service; schedule vessel sailing to optimize the frequency of service to all ports; encourage and integrate with other public and private carriers to the greatest extent possible to provide ferry service within the state and between Alaska ports and ports outside the state in order to provide optimum service within the state; provide reservation access and marketing information throughout the state; encourage vessel construction, maintenance, and service in the state to the greatest extent possible; employ residents of the state to the greatest extent legally possible; and recognize Alaska unions and employee associations to the greatest extent possible.

F. The Ketchikan Gateway Borough has passed prior resolutions requesting continued service, more service, and planning of the Alaska Marine Highway System to enhance the quality of life for the residents of the Ketchikan Gateway Borough.

G. The Ketchikan Gateway Borough is home to a shipyard, built by the state, which can maintain, refurbish and drydock the Alaska Marine Highway ferries. With the mill closure approaching, economic diversity must be found for the economic health and stability of the Ketchikan Gateway Borough and its citizens.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, IT IS RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH, ALASKA, as follows:

RESOLUTION NO. 1325

PAGE 2

Section 1. The Ketchikan Gateway Borough supports Senate Bill 21, "An act relating to ferries and ferry terminals, establishing the Alaska Marine Highway Authority, and relating to maintenance of state marine vessels."

Section 2. The Borough Clerk is directed to mail a copy of the signed resolution to Senator Taylor, Senator Pearce and the Senate subcommittees for Transportation, State Affairs and Finance.

Section 3. This resolution is effective upon adoption.

ADOPTED this 18th day of FEBRUARY, 1997.

BOROUGH MAYOR

ATTEST:

BOROUGH CLERK

Approved as to form:

Scott A. [Signature]

BOROUGH ATTORNEY

EFFECTIVE DATE: <u>2-18-97</u>			
ROLL CALL	YES	NO	ABSENT
CONLEY	✓		
COYNE	✓		
ELKINS	✓		
MARTIN	✓		
MARSHALL	✓		
TIPTON	✓		
VAN HORN	✓		
MAYOR (1/2 Vote Only)			N/A
4 AFFIRMATIVE VOTES REQUIRED FOR PASSAGE			

TO: JOE AMBROSE

RECEIVED APR 18 1997



**A RESOLUTION OF THE
GREATER KETCHIKAN CHAMBER OF COMMERCE SUPPORTING SB-21
ESTABLISHING THE ALASKA MARINE HIGHWAY AUTHORITY**

WHEREAS, management of the Alaska Marine Highway System has lacked continuity with twenty-three directors and twenty commissioners establishing diverse policies with every change of administration since Alaska Marine Highway System's inception in 1962.

WHEREAS, the original concept of the system as a "nonprofit" marine highway to serve coastal residents, cheaply and effectively, has been seriously weakened.

WHEREAS, management decisions regarding extended vessel lay ups in order to reduce costs has virtually eliminated marine highway availability and discouraged ridership eight months of the year.

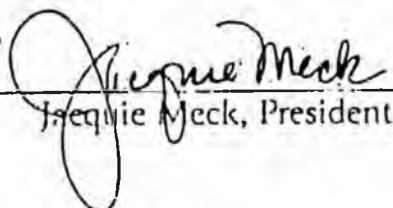
WHEREAS, long range scheduling is nonexistent resulting in a chaotic reservation system that further discourages ridership.

WHEREAS, in order to be cost effective management has raised fares on users to the point that the system is now one of the most expensive "tollways" in the nation.

WHEREAS, a long range marine highway/hardlink plan, projecting into the first quarter of the next century, is nonexistent.

NOW, THEREFORE, BE IT RESOLVED, the Greater Ketchikan Chamber of Commerce Board of Directors supports the creation of a Marine Highway Authority to establish management continuity and improve highway service to coastal communities dependent on the system, so long as Federal funding is not endangered.

Adopted by the Greater Ketchikan Chamber of Commerce
April 16, 1997



Jacquie Meck, President



Teresa Garland, Executive Director

K

J

C

Ketchikan Indian Corporation

(Tribal Council)

429 DEERMOUNT AVENUE
KETCHIKAN, ALASKA 99901
(907) 225-5158
FAX (907) 247-0420

RESOLUTION: KIC 97-09

TITLE: **SUPPORT OF SENATE BILL NO. 21: "An Act relating to ferries and ferry terminals, establishing the Alaska Marine Highway Authority, and relating to maintenance of state marine vessels; and providing for an effective date."**

BY: **KETCHIKAN INDIAN CORPORATION TRIBAL COUNCIL**

WHEREAS, the Ketchikan Indian Corporation is a federally recognized Tribal government pursuant to the Indian Reorganization Act (IRA) of 1936 as amended; and

WHEREAS, the Ketchikan Indian Corporation Tribal Council is the representative Tribal government of the Ketchikan Indian Corporation, a sovereign, federally recognized IRA Tribe whose membership resides in the Ketchikan area; and

WHEREAS, the health, education, and welfare of its membership is of paramount importance to the well being of the Ketchikan Indian Corporation; and

WHEREAS, the Ketchikan Indian Corporation understands that the majority of communities in Southeast Alaska are dependent on the Alaska Marine Highway System; and

WHEREAS, The Ketchikan Indian Corporation and its membership are affected by the effective and efficient operation of the Alaska Marine Highway System as stated in Section 19.55.120. **Duties of authority.** The authority shall

- (1) assist the residents, businesses, and communities of the state in obtaining optimal marine passenger and freight service;
- (2) schedule vessel sailings to optimize the frequency of service to all ports;
- (3) encourage and integrate with other public and private carriers to the greatest extent possible to provide ferry service within the state and between Alaska ports and ports outside the state in order to provide optimum service within the state;
- (4) provide reservation access and marketing information throughout the state;
- (5) encourage vessel construction, maintenance, and service in the state to the greatest extent possible;
- (6) employ residents of the state to the greatest extent legally possible;

(11)

Resolution KIC 97-09

Page 2

(7) recognize Alaska unions and employee associations to the greatest extent legally possible.

SO THEREFORE BE IT RESOLVED, that the Ketchikan Indian Corporation hereby supports Senate Bill No. 21.

CERTIFICATION

The foregoing resolution was adopted at a duly convened meeting of the Ketchikan Indian Corporation Tribal Council, assembled this 5th day of February, 1997, at the Ketchikan Indian Corporation, 429 Deermount Avenue, Ketchikan, Alaska 99901, by a vote of 7 FOR, 0 AGAINST, and 0 ABSTAINING.

Stephanie D. Rainwater
Stephanie D. Rainwater, President

2-6-97
Date

ATTESTED:

Gerald E. Hope
Gerald E. Hope, Secretary

2/6/97
Date

- cc: Southeast Alaska IRA's
- ANB/ANS Grand Camp
- Alaska Inter-Tribal Council
- Alaska Native Claims Settlement Act (ANSCA)
- Other Village & Urban Corporations in SE Alaska



RECEIVED APR 9 1997

334 Front Street
Ketchikan, Alaska 99901
Phone 907-225-3111
Fax 907-225-5075

April 4, 1997

The Honorable Senator Robin Taylor
State Capitol, Room 30
Mailstop 3100
Juneau, Alaska 99801-1182

Dear Senator Taylor:

Re: Senate Bills Nos. 21 and 27

With regard to the above referenced subject and as a follow-up to the Ketchikan Legislative Liaison's correspondence of March 24, 1997, please be advised that at its meeting of April 3, 1997 the City Council adopted motions supporting ratification of Senate Bills Nos. 21 and 27 establishing a Marine Highway Authority and relocating the offices of the Alaska Marine Highway System to Ketchikan. The motions further requested that the Legislature appropriate sufficient funding for the operation of the Alaska Marine Highway System.

It is the City's understanding that the Ketchikan Gateway Borough Assembly will consider a motion at its meeting of April 7, 1997 which would, if adopted, state the Assembly's support for Senate Bill No. 27 and its desire to construct and lease back to the State adequate office space to accommodate both the Alaska Marine Highway System employees and the Alaska State Troopers. The Borough is already on record as having expressed support for ratification of Senate Bill No. 21.

I am confident that the cooperative efforts of both the City and the Borough, in conjunction with the adoption of both these Bills by the State Legislature, will be a major step in the restoration of the Alaska Marine Highway System as a viable transportation provider in Southeast Alaska.

Should you have any questions on this matter, please do not hesitate to contact me.

Very truly yours,

Karl R. Amylon
City Manager

cc: Katy Suiter, City Clerk
Ketchikan City Council
Georgianna Zimmerle, Borough Manager

KDN 2/21/97

Ferry workers testify; support authority

By CATHY ST. JOHN
Daily News Staff Writer

Problems plaguing the Alaska Marine Highway System are because its senior management will not listen to the public's needs or crew suggestions, a series of speakers, including ferry workers, told a Senate Transportation Committee on Tuesday.

Department of Transportation Commissioner Joseph Perkins and AMHS Director Gary Hayden listened but will not present their testimony until a later committee hearing.

The teleconference was scheduled to receive testimony on Senate Bill 21, proposed by Sen. Robiz Taylor, R-Wrangell, to create a semi-autonomous authority to manage the Alaska Marine Highway System.

A seven-member, governor-appointed board is proposed, which would include the DOT commissioner and six members with maritime backgrounds.

Senate Transportation Committee chairman Sen. Jerry Ward, R-Anchorage, vice chairman Sen. Gary Wilken, R-Fairbanks, and committee member

Sen. Lyda Green, R-Wailla listened from Juneau. Members: Sen. Drue Pearce, R-Anchorage, and Sen. John Torgerson, R-Kasilof, were absent.

Taylor chairs the Transportation Committee's Senate Task Force on the ferry system. Pearce and Torgerson are the other members of the task force, which identified several issues in recommending the authority approach:

- Arbitrary scheduling changes that have cost the state about \$250,000 in unnecessary overtime and other costs in the past year.
- A fare system that discourages travel.
- A reservation system that doesn't work.
- The decision to close revenue-generating bars on the ferries.
- A top-heavy administration marked by an increase in staff in the Juneau central office, from 17 to 160 workers since 1977.

More than 25 people filled the Legislative Information Office in Ketchikan for the teleconference. Thirteen people testified in the hour-long hearing. 11

See Ferry authority, page A-3

(3)

Ferry authority

from Ketchikan and eight of those AMHS employees. Most spoke in support of the bill or some other form of management for the ferry system. Taylor said those testifying would not be held in harms way for doing so.

Tom Moore of Ketchikan, second mate on the vessel Taku, said the arbitrary schedule changes cost the system credibility as well as money.

"The traveling public are used to and deserve stability," he said.

Under the administration of former system director Jim Ayers, workers received pep talks and "alaboya" for their work. Since then, however, every directive has been negative, said Moore.

"The shape of the ferry system is a direct reflection of upper management," he said.

Ed Marksheffel, chief purser on the Taku and 30-year AMHS employee, says the system's zone scheduling has discouraged travel. During one day in mid-June, a normally heavy traffic time, the Taku brought only 38 passengers and 12 vehicles into Juneau.

Meanwhile, two motor home owners

about to board in Prince Rupert instead opted to drive an extra 480 miles and take the Alaska-Canada Highway because they didn't want to wait the two-day layover in Juneau to catch the next ferry to Haines.

The Inland Boatman's Union of the Pacific has remained neutral on SB 21 yet agrees extraordinary efforts will be needed to resolve existing problems, said Len Jenkinson of Ketchikan, a 13-year deckhand on the ferries and now an IBU business agent.

The ferry system has too long been steered by DOT road and airport engineers and needs input from maritime-experienced workers, he said.

Ketchikan Indian Corp. Council President Stephanie Rainwater presented a resolution in support of SB 21 from KIC. Rainwater has worked for AMHS since 1987 and is a second steward.

She faulted the administration for asking an IBU Labor Advisory Board for suggestions on how to cut costs, and then rejecting those suggestions.

"What would make labor members ever cooperate with this management

again," she said.

John Ritterbach, senior assistant purser on the Matanuska, said he supports the bill to replace the existing management which is "inept at best."

"Imagine what real management ... not afraid to listen to its employees ... can do," he said.

Canada's ferry system, in comparison, is more user-friendly, cheaper and more efficient, he said.

Every other Alaska transportation business is up in revenues but the marine highway, said Eric Gucker, a steward for more than nine years.

Gucker said he hauls thousands of empty beer bottles out of state rooms now that the ferry bars are closed. The system is losing valuable revenue there, and also suffers because there is no experienced bartender on board to regulate drinkers, he said.

Gucker also said Prince of Wales Island's efforts to establish an alterna-

tive system, due to poor state service, are now in direct competition for the money for hard-link roads Commissioner Perkins wants "so bad" for other parts of the state.

Those roads, however, don't produce revenue, said Gucker.

Former Ketchikan Daily News Publisher Lew Williams Jr. said a better way of management is needed for the system, whether it is SB 21 or another means.

He stressed the need for continuity in ferry administration and urged timely action in resolving labor-management problems. Labor contracts are up for renewal in 1998 and 1998 is an election year. Labor-management issues would be best resolved now, rather than risk being prolonged if a new system director were to be named, he said.

Continued from page A-1

RECEIVED

MAR 24 1997

MARCH 8, 1997

Ans'd.....

ERIC GUCKER

Po Box 8073

KETCHIKAN, AK 99901

GVERNOR TONY KNOWLES

Po Box 110001

JUNEAU, AK 99811-0001

DEAR GOVERNOR KNOWLES:

PLEASE ALLOW ME TO APOLOGIZE FOR YESTERDAY AT THE
TED FERRY CIVIC CENTER IN KETCHIKAN. I BROUGHT VALID
CONCERNS ABOUT THE MANAGEMENT OF THE ALASKA MARINE
HIGHWAY SYSTEM BECAUSE I BELIEVED YOU WERE HOLDING
A SERIOUS QUESTION AND ANSWER FORUM FOR LOCAL CITIZENS
BY THE WAY YOU DODGED MY QUESTION, I CAN SEE THAT I
WAS CLEARLY MISTAKEN.

LET ME TRY IT AGAIN.

IF THE CURRENT AMHS ADMINISTRATION IS SO RESPONSIVE
TO PUBLIC DEMANDS - AS D.O.T. COMMISSIONER PERKINS
ASSERTS - THEN WHY HAVE THE PEOPLE OF PRINCE

OF WHALES ISLAND FOUND IT NECESSARY TO TAKE
STEPS TO CREATE THEIR OWN FERRY SYSTEM
WHICH WILL PROVIDE THE BASIC SERVICE THEY'VE
BEEN BEGGING THE AMHS FOR YEARS?

THE INLAND BOATMAN'S UNION OF THE PACIFIC SUPPORTED
YOUR ELECTION TO THE OFFICE OF GOVERNOR BECAUSE
YOU AND FRAN ULMER ASSURED US THAT YOUR
ADMINISTRATION WOULD BE SUPPORTIVE AND RESPONSIVE
TO THE CREWMEMBERS WHO WORK ON THE FRONT LINE
DOING THE ACTUAL WORK THAT GENERATES AROUND
65% OF ITS OWN OPERATING BUDGET, YET YOUR
APPOINTED OFFICIALS ARE DOING EVERYTHING POSSIBLE
TO DESTROY THE ALASKA MARINE HIGHWAY SYSTEM AND
OUR LIVELIHOODS AND SINCE YOU HAVE NOT INTERVENED
AMID PUBLIC OUTCRY TO HOLD THESE PUBLIC OFFICIALS
ACCOUNTABLE AND ATTEMPTED TO HALT THIS DESTRUCTIVE
ACTION, HOW CAN YOU EXPECT THE IBU MEMBERSHIP
OR THE PEOPLE OF ALASKA TO SUPPORT YOU NOW OR
IN THE NEXT ELECTION?

ALLOW ME TO CLARIFY MY PERSONAL AGENDA IN THIS
MATTER. PLEASE DO NOT DISMISS ME AS ANOTHER
DISGRUNTLED GOVERNMENT EMPLOYEE SNOVELLING

ABOUT BEING OVERLOOKED AND UNDERPAID. THAT IS NOT MY PURPOSE. IF YOU READ THE LETTERS I'VE SENT TO COMMISSIONER PERKINS AND DIRECTOR HAYDON, OR LISTEN TO THE TESTIMONY I'VE GIVEN TO THE SENATE TRANSPORTATION COMMITTEE, OR THINK FOR A MOMENT ABOUT THE KIND OF QUESTIONS I'M ASKING YOU, IT WOULD BE OBVIOUS TO YOU THAT I CARE DEEPLY ABOUT THE FUTURE OF THE AMHS. I AM SPEAKING TO YOU NOT ONLY AS AN AMHS EMPLOYEE OR AN IBU MEMBER, BUT ALSO AS A CUSTOMER WHO HAS RELIED ON AMHS SERVICE SINCE I WAS BORN. I WANT THE STATE FREELY SYSTEM TO SUCCEED AND GROW AND PROSPER, JUST AS THE LEGISLATORS WHO CREATED THIS SYSTEM INTENDED IN ALASKA STATUTE R.A.S. 050.

YOUR CONTINUED SILENCE REGARDING THE SERIOUSNESS OF THE ISSUES FACING THE FUTURE OF THE AMHS LEADS ME TO TWO POSSIBILITIES: THE FIRST IS THAT YOU ARE TOTALLY OUT OF TOUCH WITH THE REALITY THAT THERE ARE MAJOR PROBLEMS THREATENING THE VERY EXISTENCE OF THE AMHS WHICH STEM DIRECTLY FROM IMPROPER MANAGEMENT AND TOTAL LACK OF DIRECTION. THE SECOND POSSIBILITY IS

THAT YOU ARE VERY AWARE OF THESE PROBLEMS AND ARE USING CHIEF OF STATE JIM AYERS, DOT COMMISSIONER JOE PERKINS, AND AMHS DIRECTOR GARY HAYDEN TO ENSURE THE FAILURE OF THE AMHS IN AN ATTEMPT TO HELP BALANCE THE STATE BUDGET.

AS GOVERNOR, YOU MUST EITHER BE PART OF THE PROBLEM OR PART OF THE SOLUTION. ROBIN TAYLOR'S SENATE BILL #21 MAY BE PART OF THE SOLUTION SINCE ONE OF ITS MAIN GOALS IS TO FORM A BOARD OF DIRECTORS WHO HAVE REAL MARITIME EXPERIENCE. STAGGERED TERMS WOULD PROMOTE STABILITY WITHIN THE LEADERSHIP AND ALLOW LONG RANGE PLANS A BETTER CHANCE OF SUCCESS. GOVERNORS CONTINUALLY APPOINTING DIRECTORS WHO HAVE NO EXPERIENCE DIRECTING FERRY SYSTEMS EVERY COUPLE OF YEARS WHEN THE ADMINISTRATION CHANGES IS NOT A RESPONSIBLE WAY TO RUN STATE GOVERNMENT.

THE SIMPLE FACT THAT YOU HAVE ALLOWED DOT COMMISSIONER PERKINS TO CLOSE THE BARS ABOARD THE FERRIES - DESPITE OVERWHELMING AND CONTINUED PUBLIC OUTCRY - IS CLEAR AND CONVINCING EVIDENCE THAT YOUR OWN HIDDEN AGENDA

FOR THE AMHS IS NOT ONLY FISCALLY IRRESPONSIBLE,
BUT IN DIRECT OPPOSITION TO THE PEOPLE OF THIS
STATE THAT YOU PRETEND TO REPRESENT.

GOVERNOR KNOWLES, I JUST WANT TO REMIND YOU
WHO PAYS YOUR PAYCHECK. IF YOU WON'T LISTEN
TO THE WORKERS OR THE TRAVELLING PUBLIC,
THEN WE'LL ELECT SOMEONE WHO WILL.

VERY SINCERELY:

Eric Hacker

cc: FRAN ULMER, LIEUTENANT GOVERNOR OF ALASKA
JOE PERKINS, D.O.T. COMMISSIONER
GARY HAYDEN, AMHS DIRECTOR
ROBIN TAYLOR, SENATOR

SOUTHEAST CONFERENCE

An Alaska Regional Development Organization and USDA Resource Conservation and Development Council

April 30, 1997

Representative Mark Hanley
Representative Gene Terriault
Co-Chairs House Finance Committee
State Capital
Juneau AK, 99801

Gentlemen:

The Alaska Marine Highway System is the lifeblood of southeast Alaska's economic and social well-being. Any change in the way the System is organized, funded, operated, and managed can and does have a profound impact on the well-being of the region's people and communities. One proposed change soon to come before you is creation of an Alaska Marine Highway Authority. Our Board of Directors urges creation of an authority be deferred until the matter has been given more serious and detailed study. The Board's reasons and recommended approach are outlined below.

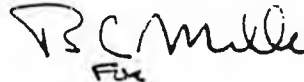
Many individuals and organizations have pointed out problems they perceive to be a result of the manner in which the Alaska Marine Highway System is presently organized, funded, operated, and managed, asserting that creation of an independent Alaska Marine Highway Authority will solve the problems perceived. But few have explained which organizational arrangements and operational and managerial processes need to be changed, let alone how those arrangements and processes would be changed for the better by an independent Authority. Nor has anyone yet described how problems might be solved without the major reorganization creation of an Authority envisions.

A reorganization of the magnitude envisioned will result in a period of severely diminished Marine Highway System operational and managerial effectiveness. Experience with other large-scale reorganizations suggests that a non-monetary "cost" of establishing an Authority will be one year of total chaos, followed by two years of diminished reliability and stability. Prudence therefore suggests asking: "Is creation of an Authority the only way in which perceived problems can be solved, or are there other, less radical 'fixes' that might yield similar results?" To date, neither proponents nor opponents have offered meaningful answers.

Until such answers are available, Southeast Conference believes creation of a Marine Highway Authority should be deferred. The Conference recommends a study group be formed to compile a list of problems perceived by System critics, obtain from critics an explanation of how creation of an Authority will solve the problems, obtain from Authority opponents an explanation of how problems might be solved without creating an Authority, compare the two explanations, and determine whether creation of an Authority is the only step that can solve the problems or whether other options exist and, if so, whether solutions under an Authority may be so far superior to other options that the results will be worth the "cost".

Should the determination be that creation of an Authority will give superior results, Southeast Conference would then support it's creation. We are willing to lead an effort such as that proposed above, or to facilitate or participate in any such effort lead by others. Please do not hesitate to call on us.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Tronrud".

John Tronrud
President

Copy to: Southeast Legislative Delegation

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION

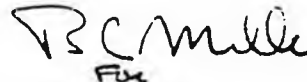


Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

Should the determination be that creation of an Authority will give superior results, Southeast Conference would then support it's creation. We are willing to lead an effort such as that proposed above, or to facilitate or participate in any such effort lead by others. Please do not hesitate to call on us.

Sincerely,

A handwritten signature in cursive script, appearing to read "J. Tronrud".

John Tronrud
President

Copy to: Southeast Legislative Delegation

SB

21

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/4/97

FURTHER: 4/25/97

DATE TURNED
IN TO OFFICE: 4/25/97

Finance Committee considered SENATE BILL NO. 21

"An Act relating to ferries and ferry terminals, establishing the Alaska Marine Highway Authority, and relating to maintenance of state marine vessels; and providing for an effective date."

and recommends:

- be replaced with CS SB 21 (FIN)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Roll S. 100</i>	✓	<i>Sean Paul</i>	✓		
<i>John Ferguson</i>	✓	<i>Al Gales</i>		X	
		<i>Dave Donley</i>	✓		
Co-Chair: <i>Peace</i>	✓	Co-Chair:			
Co-Chair:		Co-Chair: <i>Bob [unclear]</i>			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

*forthcoming CS
and appropriate
fiscal notes.*

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

**STATE OF ALASKA
1997 LEGISLATIVE SESSION**

BILL NO. CSSB 21 (FIN)

REPORTED BY
9/23/97

Revision Date: 04/11/97
 Title: An Act...establishing Alaska Marine Highway Authority
and relating to maintenance of state marine vessels...
 Sponsor: Senator Robin Taylor, Pearce
 Requester: Senate Transportation

Dept. Affected: DOT/PF
 BRU: Marine Administration
 Component: Administration
 Component Serial No.: 621

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel	52.6	101.4	77.5	77.5	77.5	77.5
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	62.6	101.4	77.5	77.5	77.5	77.5

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES []						
-------------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	62.6	101.4	77.5	77.5	77.5	77.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	62.6	101.4	77.5	77.5	77.5	77.5

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The following assumptions were used:

- (1) On or after 1/1/98, appointed authority directors will begin meetings. Assume 50 business days of meetings during first year of operations, dropping to 30 business days thereafter.
- (2) Travel and per diem expenses calculated based on 4 of 6 appointed directors traveling to Juneau from Ketchikan, Seward and Anchorage; however, actual locations are unknown at this time. Travel and per diem expenses calculated using existing airfares, lodging and meal allowances; no inflationary increases included.
- (3) Assumes chief executive officer's annual compensation at same level as current Marine Highway System director.

Prepared by _____ Prepared by Sponsor _____
 Division _____
 Approved by _____
 Agency _____

Phone _____
 Date _____
 Date _____

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FISCAL NOTE

No. 3
 Bill Version: CSSBZ1(FIN)
 (S) Publish Date: 4/25/97

STATE OF ALASKA
 1997 LEGISLATIVE SESSION

4/25/97

Revision Date: 04/11/97
 Title: An Act...establishing Alaska Marine Highway Authority and relating to maintenance of state marine vessels...
 Sponsor: Senator Robin Taylor, Pearce
 Requester: Senate Transportation

Dept. Affected: DOT/PF
 BRU: Marine Administration
 Component: Administration
 Component Serial No.: 621

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services						
Travel	62.6	101.4	77.5	77.5	77.5	77.5
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	62.6	101.4	77.5	77.5	77.5	77.5

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES []						
------------------------	--	--	--	--	--	--

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
1002 Federal Receipts						
1003 GF Match						
1004 GF	62.6	101.4	77.5	77.5	77.5	77.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
1091 Designated Program Receipts						
TOTAL	62.6	101.4	77.5	77.5	77.5	77.5

Estimate of any current year (FY97) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The following assumptions were used:

- (1) On or after 1/1/98, appointed authority directors will begin meetings. Assume 50 business days of meetings during first year of operations, dropping to 30 business days thereafter.
- (2) Travel and per diem expenses calculated based on 4 of 6 appointed directors traveling to Juneau from Ketchikan, Seward and Anchorage; however, actual locations are unknown at this time. Travel and per diem expenses calculated using existing airfares, lodging and meal allowances; no inflationary increases included.
- (3) Assumes chief executive officer's annual compensation at same level as current Marine Highway System director.

Prepared by _____ Prepared by Sponsor _____
 Division _____
 Approved by Robin L. Taylor
 Agency _____

Phone _____
 Date 4/25/97
 Date _____

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Version: SB21
(S) Publish Date: 3/7/97

Revision Date: _____ Dept. Affected: DOT/PF
Title: An Act . . . establishing Alaska Marine Highway System Authority BRU: Office of the Commissioner
Sponsor: Senators Robin Taylor, Pearce Component: Commissioner's Office
Requester: _____ COMPONENT SERIAL NO. 530

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES		35.0	40.0	45.0	50.0	55.0
TRAVEL	75.2	121.7	93.0	93.0	93.0	93.0
CONTRACTUAL	451.5	451.5	451.5	451.5	451.5	451.5
SUPPLIES						
EQUIPMENT		300.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	526.7	908.2	584.5	589.5	594.5	599.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	526.7	908.2	584.5	589.5	594.5	599.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	526.7	908.2	584.5	589.5	594.5	599.5

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

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Gary L. Hayden, System Director
Division: Alaska Marine Highway System
Approved by: Joseph L. Perkins, Commissioner
Agency: Department of Transportation and Public Facilities

Phone: 465-3959
Date: 2/20/97
Date: 2/20/97

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Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 1
Bill Version: SB21
(S) Publish Date: 3/7/97

Revision Date: _____ Dept. Affected: DOT/PF
Title: An Act . . . establishing Alaks Marine Highway System Authority BRU: Office of the Commissioner
Sponsor: Senators Robin Taylor, Pearce Component: Commissioner's Office
Requester: _____ COMPONENT SERIAL NO. 530

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES		35.0	40.0	45.0	50.0	55.0
TRAVEL	75.2	121.7	93.0	93.0	93.0	93.0
CONTRACTUAL	451.5	451.5	451.5	451.5	451.5	451.5
SUPPLIES						
EQUIPMENT		300.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	526.7	908.2	584.5	589.5	594.5	599.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	526.7	908.2	584.5	589.5	594.5	599.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	526.7	908.2	584.5	589.5	594.5	599.5

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

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Gary L. Hayden, System Director
Division: Alaska Marine Highway System
Approved by: Joseph L. Perkins, Commissioner
Agency: Department of Transportation and Public Facilities

Phone: 465-3959
Date: 2/20/97
Date: 2/20/97

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The following assumptions were used:

- (1) On or after 1/1/98, authority directors appointed will begin meetings. Assume 50 business days of meetings during first year of operations, dropping to 30 business days of meetings thereafter.
- (2) Travel and per diem expenses calculated based on 4 of 6 appointed directors traveling to Juneau from Seattle, Ketchikan, Seward and Anchorage. Travel and per diem expenses calculated using existing airfares, lodging and meal allowances; no inflationary increases included.
- (3) Assumes chief executive officer annual compensation at \$150,000 per year (pay and benefits) beginning 7/1/98, with annual increases of \$5.0 thousand per annum thereafter. FY99 expenses are less existing director's personal services costs at \$118,000 (pay and benefits)
- (4) Assumes requirement of accounting, payroll, revenue and other data management software and hardware to assist the authority in developing business efficient systems and reports not currently available on existing mainframe systems.
- (5) Assumes necessity of leased office space at 1.91 per square foot for 19,700 sq.ft (currently is provided free of charge to AMHS). This is based on current space utilization for Juneau based employees.

This does not include any costs associated with employment of consultants or advisors, which might be contracted by the authority. It does not include any costs that may be associated with performing vessel maintenance repair in Alaska as provided in Section 21. It does not include any warehouse costs which must be absorbed 7/1/99 (est. @ \$60.0 thousand per annum).

FISCAL NOTE

No. 2
 Bill Version: CSSB 21 (TRA)
 (S) Publish Date: 3-18-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: 3/17/97 Dept. Affected: DOT/PF
 Title: An Act . . . establishing AMHS Authority and BRU: Office of the Commissioner
relating to maintenance of state marine vessels Component: Commissioner's Office
 Sponsor: Senators Robin Taylor, Pearce
 Requester: Senate Transportation COMPONENT SERIAL NO. 530

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES		35.0	40.0	45.0	50.0	55.0
TRAVEL	75.2	121.7	93.0	93.0	93.0	93.0
CONTRACTUAL SUPPLIES	451.5	451.5	451.5	451.5	451.5	451.5
EQUIPMENT		300.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	526.7	908.2	584.5	589.5	594.5	599.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	526.7	908.2	584.5	589.5	594.5	599.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	526.7	908.2	584.5	589.5	594.5	599.5

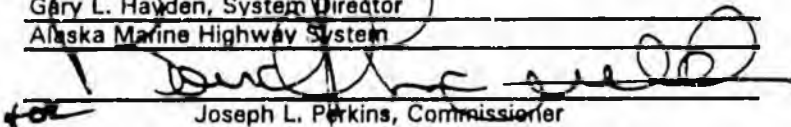
Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Gary L. Hayden, System Director Phone: 465-3959
 Division: Alaska Marine Highway System Date: 2/20/97
 Approved by:  Date: 3/17/97
 Agency: Department of Transportation and Public Facilities

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
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The following assumptions were used:

- (1) On or after 1/1/98, authority directors appointed will begin meetings. Assume 50 business days of meetings during first year of operations, dropping to 30 business days of meetings thereafter.
- (2) Travel and per diem expenses calculated based on 4 of 6 appointed directors traveling to Juneau from Seattle, Ketchikan, Seward and Anchorage. Travel and per diem expenses calculated using existing airfares, lodging and meal allowances; no inflationary increases included.
- (3) Assumes chief executive officer annual compensation at \$150,000 per year (pay and benefits) beginning 7/1/98, with annual increases of \$5.0 thousand per annum thereafter. FY99 expenses are less existing director's personal services costs.
- (4) Assumes requirement of accounting, payroll, revenue and other data management software and hardware to assist the authority in developing business efficient systems and reports not currently available on existing mainframe systems.
- (5) Assumes necessity of leased office space at 1.91 per square foot for 19,700 sq.ft (currently is provided free of charge to AMHS). This is based on current space utilization for Juneau based employees.

This does not include any costs associated with employment of consultants or advisors, which might be contracted by the authority. It does not include any costs that may be associated with performing vessel maintenance repair in Alaska as provided in Section 21. It does not include any warehouse costs which must be absorbed 7/1/99 (est. @ \$60.0 thousand per annum).

The Senate Transportation Committee substitute language regarding the interport differential (Section 22 (c)(d)) potentially will have a cost to the system. However, an estimate is not attempted here.

The recent AIEDA report estimated the cost to perform work on the vessels in Ketchikan was on average 20 per cent higher. Using their 20 per cent, the system could face at a minimum an additional \$500.0 thousand annually.

The implications of Section 22 (c) (d) are with competitive bids on an FHWA funded project, it will increase costs that AMHS will not be able to receive reimbursement for under the federal project. The department's policy and procedure for calculating interport differential already includes items which are not eligible for reimbursement, i.e. per diem during the project. The language in this committee substitute would further increase that amount. These would include

employee wages during the voyage, since you would have to prove the wages would not have been paid but for the project. This is impossible to support given crew minimum guarantees. This case can be made when taking the vessel beyond California, such as with the Taku going to Mobile, Alabama. The other items are prorated maintenance and consumables cost. The department's policy and procedure on interport differential and how it has been applied has been reviewed by Legislative Audit. An audit was performed on two (2) past vessels projects and found that in both cases the interport differential was above the actual cost.

moved Sen. Torgerson
adopted w/o objection

P.02

O-LS01841F.1
Utermohle
4/24/97

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB 21(STA)^{TRA}

SENATE FINANCE
COMMITTEE
Amendment Number: 1
Bill Number: SB 21
Sponsor: Torgerson Date: 4/20/97
Logged In By: J. Colanni

- 1 Page ²¹20, line ¹⁰30:
- 2 Delete "the department is not responsible for"
- 3 Insert "departmental"
- 4 Page ²¹21, line ¹²1, following "Authority":
- 5 Insert "is subject to direction by the Alaska Marine Highway Authority"
- 6 Page 21, lines ¹⁷⁻¹⁹6-8:
- 7 Delete all material.
- 8 Insert "responsible for management or operation of transportation facilities under
- 9 the jurisdiction of the Alaska Marine Highway Authority or for management, operation,
- 10 or maintenance of vessels or equipment under the jurisdiction of the Alaska Marine
- 11 Highway Authority;"

SB

24

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 27, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/9/97

The FINANCE Committee considered:

CSSB 24(FIN)

CS FOR SENATE BILL NO. 24(FIN)

PARENTAL CONSENT BEFORE MINOR'S ABORTION

"An Act relating to a requirement that a parent, guardian, or custodian consent before certain minors receive an abortion; establishing a judicial bypass procedure by which a minor may petition a court for authorization to consent to an abortion without consent of a parent, guardian, or custodian; amending the definition of 'abortion'; and amending Rules 40 and 79, Alaska Rules of Civil Procedure; Rules 204, 210, 212, 213, 508, and 512.5, Alaska Rules of Appellate Procedure; and Rule 9, Alaska Administrative Rules."

recommends it be replaced with the following committee substitute HCS CSSB 24 (FIN) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____

APPROVES PREVIOUS: (Dept) (Date) _____

fiscal note(s) _____ 2 fiscal note(s) Admin, 3/2/97
Courts 3/14/97

zero fiscal note(s) _____ 3 zero fiscal note(s) (1) Admin, 2/3/97
(2) HSS 2/3/97
3/5/97

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault	X			
<i>Mark Hanley</i>	Hanley	X			
<i>Vic Kohring</i>	Kohring	X			
<i>Clay Mulder</i>	Mulder	X			
<i>Bob Kelly</i>	Kelly	✓			
<i>Perry Martin</i>	Martin	✓			
<i>Bir Gussendorf</i>	Gussendorf				X
<i>For M. Davies</i>	Davies		X		

CHAIR'S SIGNATURE *Gene Therriault* *Mark Hanley*
 Therriault Hanley

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 7

Bill Version: CSSB 24 (FIN)

(S) Publish Date: 3-21-97

Revision Date: _____

Department Affected: Administration

Title: "An Act relating to a requirement that a parent, guardian, or custodian consent before certain minors receive an abortion..."

BRU: Office of Public Advocacy

Component: Office of Public Advocacy

Sponsor: Senator Leman

Requestor: (S) FIN

COMPONENT SERIAL NO. 43

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	84.0	84.0	84.0	84.0	84.0	168.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	84.0	84.0	84.0	84.0	84.0	168.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE:

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	84.0	84.0	84.0	84.0	84.0	84.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
TOTAL	84.0	84.0	84.0	84.0	84.0	84.0

Estimate of any current year (FY 97) cost: \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The judicial bypass provisions of this bill contemplate a hearing at which an unemancipated minor aged 15 or under may seek the court approval of her wish to have an abortion. The bill mandates the appointment of counsel for the minor through the Office of Public Advocacy (OPA). This fiscal note is based on the following assumptions: (1) 2,400 abortions per year are performed in Alaska; (2) 12% of abortions per year (288) are performed on women aged 17 or younger; (3) 39% of young women (112) wishing to obtain an abortion would seek a judicial bypass, based on the fact that 61% of parents are informed of abortions in those states which do not require parental notice or consent.

(continued)

Prepared by: Brant McGee, Public Advocate
 Division: Office of Public Advocacy

Phone: 269-3500
 Date: _____

Approved by Commissioner: Mark Bover
 Agency: Administration

Thomas W. Elise
 Date: 3/18/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSE 24(FIN) 27

ANALYSIS: (continued)

This office has located no data regarding the number of abortions performed on females aged 15 or younger. We have, therefore, further assumed that this group represents approximately half of minor women. Thus, OPA could be expected to provide attorney representation to 56 young women each year in judicial proceedings in which the minor sought to obtain approval of an abortion. The legal representation in these cases would be short but intense. The Office of Public Advocacy estimates that such services would cost an estimated \$1,500 per case for a total of \$84.0 per year.

FISCAL NOTE

NO. 6

Bill Version: CS SB 24 (FIN)

(S) Publish Date: 3-14-97

STATE OF ALASKA
1997 LEGISLATIVE SESSION

Revision Date: 03/10/97

Dept. Affected: Alaska Court System

Title: Parental consent before a minor's
abortion

BRU: Trial Courts

Component: _____

Sponsor: Sens. Leman, Hatford, Green, Miller, Taylor

Requirer: Senate HESS

COMPONENT SERIAL NO. 788

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	10.0	10.0	10.0	10.0	10.0	10.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	10.0	10.0	10.0	10.0	10.0	10.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

Fund Source

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	10.0	10.0	10.0	10.0	10.0	10.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	10.0	10.0	10.0	10.0	10.0	10.0

Estimate of any current year (FY 97) cost: None

Positions

Full-Time						
Part-Time	1.0	1.0	1.0	1.0	1.0	1.0
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached fiscal analysis.

Prepared by: C. S. Christensen III, Staff Counsel

Agency: Alaska Court System

Phone: 264-8228

Date: 03/10/97

Approved by: Stephanie J. Cole, Acting Administrative Director

Agency: Alaska Court System

Date: 03/10/97

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JUDICIAL COURT SYSTEM
FISCAL ANALYSIS
CSSB 24 (JUD)

CSSB 24 (JUD) provides that a person may not knowingly perform an abortion upon a woman who is unmarried, under 18 years of age, and unemancipated, unless, before the abortion, one of the woman's parents or the woman's guardian or custodian has consented to the abortion in writing; a court issues an order authorizing the woman to consent to the abortion; or a court, by its inaction, constructively authorizes the woman to consent to the abortion. A woman who seeks a court order authorizing an abortion is required to have an attorney. If she cannot afford an attorney, one must be appointed by the court from the Office of Public Advocacy (OPA). Because we are dealing with unemancipated minors, it must be assumed that all attorneys will be paid for by the state. OPA has estimated that 112 minor females will seek judicial approval for an abortion each year.

CSSB 24 (JUD) requires a superior court judge to hold a hearing in these cases on an expedited basis. This note assumes that the review of documents, the hearing, the decision process and the preparation of the order will average two hours of judicial time. This note also reflects clerical costs associated with processing 112 filings which involve expedited hearings and which require court clerks to actively follow cases to make certain that time limits are met and that constructive consent has been given in cases in which a court takes no action within the specified period. This note does not reflect costs for expedited appeals in cases where a court denies permission for an abortion, nor does it reflect costs for the preparation of special forms and instructions required by the bill.

Personal Services

	Salary	Benefits	Total
Pro tem superior court judge, fully vested, Anchorage, PPT 224 hours	\$2,919	\$1,595	\$4,514
Clerical overtime for 224 hours for range 10A (see note below)			5,473
Total Personal Services			69,987

Note:

This bill will require clerical (range 8) and legal technician (range 12) services. The average range of the two levels is approximately range 10, which was used for estimating the clerical overtime costs of this legislation.

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 5

Bill Version: CSB 24(JUD)

(S) Publish Date: 3-5-97

Revision Date: _____

Dept. Affected: Health and Social Services

Title: Parental Consent for Abortion

BRU: State Health Services

Component: Public Health Admin Services

Sponsor: Leman

COMPONENT SERIAL NO. 292

Requestor: Senate (JUD)

See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES IN REVENUES ()						
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FUND SOURCE

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

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

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by: Peter M. Nakamura, MD, MPH
 Division: Public Health
 Approved by Commissioner: Karen Perdue, Commissioner
 Agency: Department of Health & Social Services

Phone: (907) 465-3090
 Date: 02/25/97
 Date: 2/26/97

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STATE OF ALASKA
1997 LEGISLATIVE SESSION

Bill version: SB 24

(S) Publish Date: 2-3-97

Revision Date: _____
 Title: Relating to parental consent before
certain minors receive an abortion
 Sponsor: Lemas
 Requestor: _____

Dept. Affected: Health and Social Services
 BRU: Medical Assistance
 Component: Medicaid Non-Facility
 COMPONENT SERIAL NO. 229
 See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGES						
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FUND SOURCE

(Thousands of Dollars)

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

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of any current year (FY97) cost: 30.0

ANALYSIS: (Attach a separate page if necessary)

Enactment of this legislation would have very little impact on the funding of abortions under the General Relief Medical Assistance and Medicaid Programs. Very few abortions funded by these programs are performed on minors.

Prepared by: Nancy Weller
 Division: Medical Assistance

Phone: 465-5825
 Date: 01/10/97

Approved by Commissioner: Karen Perkins
 Agency: Department of Health & Social Services

Date: 1/24/97

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

No. 3

Bill Version: SB 24

(S) Publish Date: 2-3-97

Revision Date: _____

Title: "An Act relating to a requirement that a parent, guardian, or custodian consent before certain minors receive an abortion..."

Sponsor: Senator Leman

Requestor: (S)HESS

Department Affected: Administration

BRU: Public Defender Agency

Component: Public Defender Agency

COMPONENT SERIAL NO. 1631

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE: (Thousands of Dollars)

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

Estimate of any current year (FY 97) cost: \$ 0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

The bill would require parental, guardian or custodian consent in writing before an abortion for an unmarried, pregnant unemancipated woman under 18 years of age. A judicial process is set up to bypass the consent requirement by the filing of a complaint in superior court. A lawyer shall be appointed to represent the complainant if she has not retained an attorney, but Section 5 of the bill provides those lawyers will be from the Office of Public Advocacy. Therefore, there will be no fiscal impact on the Public Defender Agency.

Prepared by: Barbara K. Brink, Acting Director
 Division: Public Defender Agency

Phone: (907) 264-4414
 Date: _____

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 1/28/97

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MEMORANDUM

TO: Mike Greany, Director, Legislative Finance Division
Juneau, Alaska

FROM: Louanne Christian, Secretary *LC*
House Finance Committee

DATE: April 15, 1997

RE: Office of Public Advocacy Fiscal Note for SB 24

The original version of SB 24, as introduced, would have required that minors under the age of 18 seeking an abortion be required to obtain parental consent or petition the court for a judicial bypass. The fiscal note for this version of the bill by the Department of Administration, Office of Public Advocacy reflected an operating expense of \$168.0 thousand general fund dollars in the contractual line.

The Senate Finance Committee adopted an amendment changing the age requirement from under 18 to under 16 years of age. This should have resulted in a reduced fiscal note of \$84 thousand dollars. A revised fiscal note was not adopted by the Senate Finance Committee or the Senate.

The revised fiscal note caught up to the bill in the House Finance Committee. However, the House Finance Committee reversed the amendment adopted by the Senate Finance Committee, returning the age requirement to minors under 18 years of age. The effect of this amendment was to increase the fiscal impact from \$84 to \$168 thousand dollars. The bill was passed from committee without the revised fiscal note. This mistake was discovered and the revised fiscal note was adopted on the House floor.

In summary, if the Senate version, requiring minors under 16 to obtain parental consent, is adopted the appropriate fiscal note would reflect a contractual cost of \$84 thousand general fund dollars.

If the House version, requiring minors under 18 to obtain parental consent, is adopted the appropriate fiscal note would reflect a contractual cost of \$168 thousand general fund dollars.

MEMORANDUM

TO: Mike Greany, Director, Legislative Finance Division
Juneau, Alaska

FROM: Louanne Christian, Secretary *LC*
House Finance Committee

DATE: April 15, 1997

RE: Office of Public Advocacy Fiscal Note for SB 24

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The revised fiscal note caught up to the bill in the House Finance Committee. However, the House Finance Committee reversed the amendment adopted by the Senate Finance Committee, returning the age requirement to minors under 18 years of age. The effect of this amendment was to increase the fiscal impact from \$84 to \$168 thousand dollars. The bill was passed from committee without the revised fiscal note. This mistake was discovered and the revised fiscal note was adopted on the House floor.

In summary, if the Senate version, requiring minors under 16 to obtain parental consent, is adopted the appropriate fiscal note would reflect a contractual cost of \$84 thousand general fund dollars.

If the House version, requiring minors under 18 to obtain parental consent, is adopted the appropriate fiscal note would reflect a contractual cost of \$168 thousand general fund dollars.



SENATOR LOREN LEMAN

Northwest Anchorage

716 W 4th Ave, Suite 520, Anchorage, AK 99501 (907) 258-8189 Session: State Capitol, Juneau, AK 99801 (907) 465-2095

Sponsor Statement -- SB 24

"An Act relating to a requirement that a parent, guardian, or custodian consent before certain minors receive an abortion; establishing a judicial bypass procedure by which a minor may petition a court for authorization to consent to an abortion without consent of a parent, guardian, or custodian; amending the definition of 'abortion'; and amending Rules 40 and 79, Alaska Rules of Civil Procedure; Rules 204, 210, 212, 213, 508, and 512.5, Alaska Rules of Appellate Procedure; and Rule 9, Alaska Administrative Rules."

Senate Bill 24 allows enforcement of existing law requiring parental consent before an abortion can be performed on a minor. Parental consent is required under AS 18.16.010, approved by the Legislature in 1970. However, a 1976 Attorney General's opinion declared the statute unenforceable as it lacks a judicial bypass provision which would enable a minor to receive permission from a judge as an alternative to a parent. Various Supreme Court decisions have held that judicial bypass is necessary if parental consent laws are to meet constitutional muster. SB 24 adds the required bypass.

In other states, parental involvement laws have had a positive impact, reducing both the number of abortions *and* the number of teen pregnancies. During the first six years Minnesota's parental involvement law was in effect, the teen pregnancy rate fell 20.5 percent, teen abortions declined 27.4 percent, and the teen birth rate went down 12.5 percent.

SB 24 also upholds the rights of parents, which are uniquely disregarded in the area of abortion. Parental consent is required for virtually every medical procedure. An exception should not exist for abortion. In Alaska, young people under age 18 are not considered mature enough to be served alcohol, buy cigarettes, or vote in elections. Even marriage is not permitted, unless a parent consents. But a teenager can obtain an abortion, even one paid for by the state, and the parents are not even required to be notified of that fact.

A clear majority of Alaskans -- 78 percent -- expressed support for parental consent legislation considered in the 19th Legislature. Parental involvement laws are on the books in 38 states. These statutes are enforced in 27 of these states.

Sectional Analysis -- CS for SB 24 (FIN)

"An Act relating to a requirement that a parent, guardian, or custodian consent before certain minors receive an abortion; establishing a judicial bypass procedure by which a minor may petition a court for authorization to consent to an abortion without consent of a parent, guardian, or custodian; amending the definition of 'abortion'; and amending Rules 40 and 79, Alaska Rules of Civil Procedure; Rules 204, 210, 212, 213, 508, and 512.5, Alaska Rules of Appellate Procedure; and Rule 9, Alaska Administrative Rules."

Prepared by: Mike Pauley, Staff to Sponsor SENATOR LOREN LEMAN

Last updated: Tuesday, March 18, 1997

Section 1: Purpose and Legislative findings

- Intent of legislation is to protect the health and welfare of minors, foster and preserve the family structure as a viable social unit, and protect the rights of parents to rear their children.
- The legislature finds that parents often possess information on the medical history of the minor that is essential to a physician's or surgeon's medical judgment.
- The legislature also finds that minors stand to benefit from parental counsel; the capacity to become pregnant and the capacity for mature judgment concerning the wisdom of an abortion are not necessarily related.

Section 2: Amends Title 18 of Alaska Statutes (Health & Safety)

- Repeals existing language on parental consent [AS 18.16.010(a)(3)] and replaces it with language requiring *either* parental consent or court authorization before an abortion can be performed on an unemancipated minor under age 16. The bill establishes a rebuttable presumption that an unmarried woman under 16 is unemancipated.

Section 3: Establishes new subsections under AS 18.16.010 (Regulation of Abortions)

- Person who performs an abortion without obtaining the required consent is civilly liable to the minor's parent(s) or guardian for compensatory and punitive damages.
- It is an affirmative defense to prosecution if the person performing the abortion was provided by the pregnant minor with false, misleading, or incorrect information about age, marital status, or emancipation.

- It is an affirmative defense to prosecution if the person performing the abortion could not comply with the consent requirement because the continuation of the pregnancy posed an immediate threat of serious risk to the life or physical health of the pregnant woman, necessitating an immediate abortion.

Section 4: Establishes new sections under AS 18.16 (Regulation of Abortions)

- **Sec. 18.16.020** provides that an abortion may not be performed on an unemancipated minor under age 16 unless...
 - 1) one of the minor's parents or the minor's guardian has consented to the procedure in writing; or
 - 2) a court has issued an order permitting the minor to consent to the abortion without obtaining consent of a parent or guardian; or
 - 3) a court by its inaction has constructively authorized a minor to consent to the abortion (*see Sec. 18.16.030*).
- **Sec. 18.16.030** outlines the procedure for seeking a court order (judicial bypass) allowing a minor to consent to an abortion without first securing parental consent. Complaints must be filed in superior court. Complaint must be under oath and include a statement that the complainant is pregnant, unmarried, under age 16, unemancipated, and wishes to have an abortion without obtaining parental consent. In addition, the complainant must allege that she is sufficiently mature and well-informed to make an abortion decision without parental consent *and/or* that one or both of her parents or her guardian is abusing the complainant physically, sexually, or emotionally; or that securing consent is otherwise not in the woman's best interest. Sec. 18.16.030 also sets time limits for hearing complaints; establishes an appeals process; requires appointment of an attorney for complainants who have not retained counsel; provides for the anonymity of the complainant. If a court does not act on a complaint within the time limits established in the legislation, it shall be considered a "constructive order" allowing the minor to consent to the abortion with the consent of a parent or guardian.

New subsection (n) was added to Sec. 18.16.030 in Judiciary Committee substitute [page 7, lines 22-31 & page 8, lines 1-3]. This subsection provides that the forms and information enabling a minor to seek judicial bypass must be available at every superior court, district court, and magistrate location. It further prescribes that the information provided to the minor must include notification that no filing fee is required for the judicial bypass application, no court costs will be assessed against the minor, an attorney will be appointed to

represent the minor, and that the minor may request a telephonic hearing on her complaint so that she need not be personally present in court.

- Sec. 18.16.090 defines the terms "abortion" and "unemancipated".

Section 5: Amends Title 44 of Alaska Statutes (State Government)

- Sec. 44.21.410(a) is amended to require the Office of Public Advocacy to provide legal representation for minors seeking a court order for an abortion without parental consent.

Section 6: Repeals Alaska Statute 18.16.010(d)

- The existing definition of abortion under AS 18.16 (Regulation of Abortions) is repealed (*replaced with new definition @ Sec. 18.16.090*).

Section 7: Amending Rule 40, Alaska Rules of Civil Procedure

- Sec. 18.16.030(c) of the bill has the effect of amending Rule 40 by setting time limits for hearing judicial bypass cases.

Section 8: Amending Rules 204, 210, 212, and 213, Alaska Rules of Appellate Procedure

- Sec. 18.16.030(j) of the bill has the effect of amending Rules 204, 210, 212, and 213, by setting time limits for judicial bypass appeals, and also by liberally modifying or dispensing with formal requirements for the form and content of appellants' briefs.

Section 9: Amending Rule 512.5, Alaska Rules of Appellate Procedure

- Sec. 18.16.030(k) of the bill has the effect of amending Rule 512.5 by making certain appellate records and papers confidential.

Section 10: Amending Rule 9, Alaska Administrative Rules; Rule 79, Alaska Rules of Civil Procedure; and Rule 508, Alaska Rules of Appellate Procedure.

- Sec. 18.16.030(m) of the bill has the effect of amending Rule 9, Rule 79, and Rule 508 by prohibiting filing fees and court cost assessments in judicial bypass cases.

Adopted

0-LS0210V.2
Lauterbach
4/7/97

AMENDMENT #1

OFFERED IN THE HOUSE
TO: CSSB 24(FIN)

BY REPRESENTATIVE KELLY

- 1 Page 2, line 26:
- 2 Delete "16"
- 3 Insert "18"

- 4 Page 2, line 30:
- 5 Delete "16"
- 6 Insert "18"

- 7 Page 3, line 13:
- 8 Delete "16"
- 9 Insert "18"

- 10 Page 3, line 30:
- 11 Delete "16"
- 12 Insert "18"

- 13 Page 4, line 10:
- 14 Delete "16"
- 15 Insert "18"

- 16 Page 4, line 18:
- 17 Delete "15"
- 18 Insert "18"

- 19 Page 8, line 14:

- 1 Delete "16"
- 2 Insert "18"

#2

AMENDMENT

failed

By: Rep. Ben Grussendorf

In the House Finance Committee
TO: CSSB 24 (FIN)

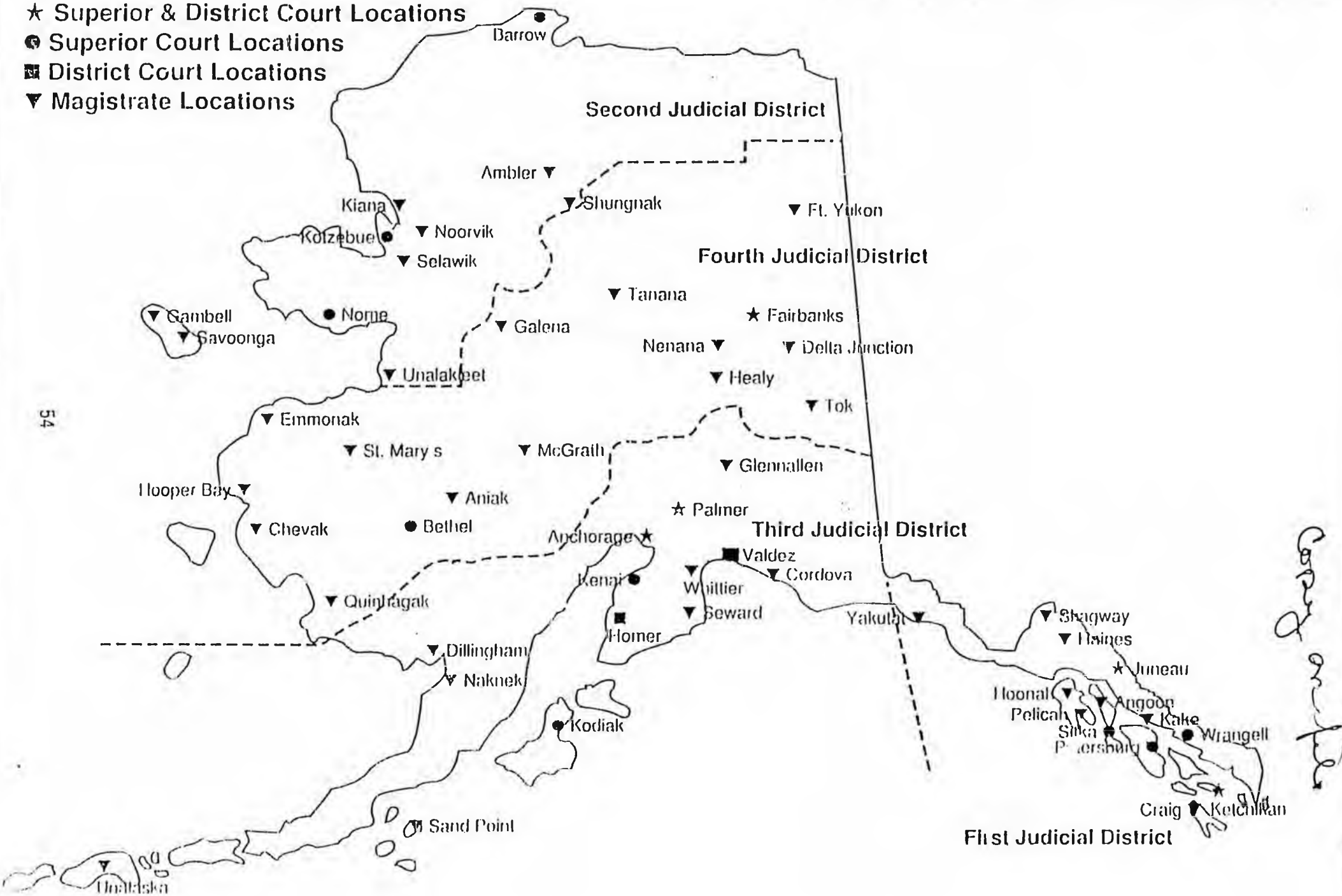
Page 3, following line 3:

Add a new section and renumber accordingly

*Sec. 18.16.040. Exemption. AS 18.16.010(a)(3), 18.16.020, and 18.16.030 do not apply to an abortion performed or induced on a minor unless the minor resides in a community that has at least one of the following persons available in the community on at least a half-time basis each month: a magistrate, a district court judge, or a superior court judge.

ALASKA COURT LOCATIONS

- ★ Superior & District Court Locations
- Superior Court Locations
- District Court Locations
- ▼ Magistrate Locations



Major Victory for Minors

*CLS Executive Director Sam Casey
has had a long struggle.
But after eight years,
the California Supreme Court
has ruled that doctors
may not perform an abortion
on unmarried teenagers
without the consent of a parent
or a court order.*



Only God knows the names of all the teenagers who have suffered the tragic consequences of abortion. Dawn, 13, died. Rachel, 17, is now a paraplegic. Myoshi, 15, required a hysterectomy. Holly and Teresa, both 16, now live every day of their lives with the remorse of their decisions to abort.

These tragedies could have been mitigated, if not avoided altogether, if only the girls' parents had been involved. That's why 38 states now have laws that require minors to either notify their parents or obtain consent from their parents or a juvenile court judge before they abort a child.

And that is why, in 1987, CLS Executive Director Sam Casey embarked on a crusade to pass a law that would require parental authorization in the state of California. More than 30,000 unmarried teenagers obtain abortions in California each year, many without the knowledge of their parents and at taxpayers' expense.

Casey has had a long struggle. After helping write the enabling legislation, and writing and arguing for its passage, Casey was asked by his law firm to stop his pro-life work because it was "too controversial." And when a judge prohibited the new law from going into effect,

Casey had to choose between quitting his pro-life efforts and resigning from his firm to continue to fight for this law. He decided to resign from his partnership and join the Western Center for Law and Religious Freedom, now an affiliated ministry of CLS, where he continued the case.

It took eight years and hearings in six different courts. But on April 4, 1996, the California Supreme Court finally said that the 1987 law properly prohibits doctors from performing abortions on unmarried teenagers without the consent of a parent or a court order.

The 4-3 majority held that the law does not violate state constitutional protections of privacy because minors have far less expectation of such privacy than do adults.

"Credit for the victory goes to so many," Casey reflects. "I am particularly grateful to the many CLS members who contributed their time to this case over the years, but principally to the Sovereign of all life."

This is what CLS and its affiliated trial advocate, the Western Center for Law and Religious Freedom, are all about — volunteer lawyers working together for "as long as it takes."



CHRISTIAN LEGAL SOCIETY

208 Evergreen Lane, Suite 222, Annandale, VA 22003-3624

From
Carol
Nelson

X - parents that
were not read
or given as
testimony.

ngelism: icorrect”

the UW that he met his wife, Leslie, who shares his commitment to campus ministry.

With 35,000 students, the religious climate at the UW is similar to that of most secular universities, Ricci confirms. “Tolerance and diversity are ‘preached’ here, and anything is an option — except for Christianity.”

It was in this climate that Christian students at the UW decided to distribute “care packages” to fellow dorm residents at exam time in December 1994. Each care package included candy bars and a poem about the true meaning of Christmas, with a four-step explanation of salvation on the reverse side. University officials quickly halted distribution of the care packages because of their Christian content.

At the same time, dorm officials also refused to let Campus Crusade hold meetings in dorm lounges because their topics would have religious content, which might offend some students.

Ricci telephoned CLS General Counsel Steve McFarland. Working through CLS’ regional affiliate, the Western Center for Law and Reli-



Brian Ricci has been at the UW for 14 of the 15 years he’s worked for Campus Crusade for Christ.

gious Freedom, McFarland communicated with the university’s lawyer at the State Attorney General’s office. And employing firm but diplomatic advocacy, he was successful in resolving both matters without going to court (see story on page 1).

Dorm students at the UW may now distribute evangelistic literature to fellow residents and hold religious meetings in dorm lounges. “The university is now treating us just like they would any other student group on campus,” Ricci confirms. But he warns, “Christians are anything but ‘politically correct’ on a university campus. We must be prepared for the opposition we will face.”

That’s why Ricci is grateful CLS and the Western Center are only a phone call away.

We’re Defending Your Right to Life and Religious Liberty

We see all around us the loss of religious rights: university officials attempt to restrict students from sharing Christ with a neighbor; a governmental agency tells a widow she doesn’t have a right to exercise her religious beliefs on her own property; federal courts allow the terminally ill to kill themselves. The battle to regain our First Freedom is never-ending.

Christian Legal Society, through its Center for Law and Religious Freedom and its regional affiliate the Western Center for Law and Religious Freedom, is defending *your* right to life and religious liberty. Your prayers and financial support make it possible for these efforts to continue. Please consider what you can give to further this crucial life-and-death work.

Age of Consent: 18 vs. 16

The effect of lowering the age at which a teenager can have an abortion without obtaining parental consent from 18 to 16 is quite dramatic. Current Alaska law (which is not enforced) sets the consent age at 18. Among teenagers who are legal minors (i.e., age 17 and under), most pregnancies (and therefore most abortions) occur at ages 17 and 16. Thus, most of the minors who would be affected by a parental consent bill which requires consent for those under 18, are not affected by the bill when consent is required only for those under 16.

This reality is clearly evident after taking into account statistics on live births to Alaskan teenagers. While there are no statistics kept by the state on the number of teen abortions, it is possible to make estimates by comparing national data to Alaska's live birth statistics.

According to the National Research Council, teen pregnancies nationwide have the following results:

- 49% end in live births
- 39% end in abortion
- 12% end in miscarriage

Applying these national proportions to Alaska, we arrive at the following estimates:

	<u>Live Births *</u>	<u>Abortions</u>	<u>Miscarriages</u>
Age 17	229	182 (est.)	56 (est.)
Age 16	141	112 (est.)	34 (est.)
Age 15	56	44 (est.)	14 (est.)
Age 14	17	14 (est.)	4 (est.)
Age 13	2	2 (est.)	1 (est.)
TOTAL:	445	354 (est.)	109 (est.)

Conclusion: these estimates indicate that most abortions (83 percent) among minors occur at ages 16 and 17, compared to a scant 17 percent at age 15 and under. Thus, lowering consent age to 16 has the effect of severely limiting the scope of SB 24 / HB 37.

* These numbers are reported in the DHSS Bureau of Vital Statistics report for 1994, the latest annual report available.

Theda Pittman
Alaska Pro-Choice Alliance
April 9, 1997 - House Finance - SB 24.
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The attached 8 1/2 x 11 sheet of paper which is marked with sections A - D, represents all the pregnant teenagers in the United States in a given year.

Section A, represents the teens who have babies - SB 24 does not apply.

Section B, represents the teens who discuss their pregnancies with at least one parent and who have an abortion - SB 24's claim to promote communication does not apply to these families which are already talking.

Section C, in states with judicial by-pass, represents the teens who apply to the court and whose request is granted -- virtually 100% of the time. Judges approve the request either because the teen is mature enough to make her own decision, has good cause to avoid discussing the situation with a parent, or because the judge feels it is inappropriate to second guess the teen. SB 24 does not help these teens because the court process is terrifying and causes delay in their decision to have an abortion.

Section D, represents teens who can't talk to their parents and can't find their way through the court system. They may resort to illegal or self-induced abortions such as the kind which killed Becky Bell in Indiana. If possible, they may hid their pregnancy until delivery - receiving no pre-natal care or even abandon the child. Although this is a small percentage of pregnant teens, SB 24 has the power to destroy them. And for the vast majority - represented by sections A, B, and C -- SB 24 will do them no good - please vote against it.

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



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