

ALASKA TITLIGI STATION COMPANY

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Dec. 1980

Bivens & Ass. for DOT

ISSUE: ALASKA RAILROAD OWNERSHIP AND OPERATIONS

The 63rd Congress passed an Act on March 12, 1914 which authorized the President to locate, construct, and operate a railroad in the Territory of Alaska. This was the beginning of the Alaska Railroad, an experiment by the federal government in railroad ownership and operation; that has been carried out over more than six decades. The federal government continues to own and operate the Alaska Railroad.

The 1914 Act instructed the President that the railroad was:

"... not to exceed in the aggregate one thousand miles, to be so located as to connect one or more of the open Pacific Ocean harbors on the southern coast of Alaska with the navigable waters in the interior of Alaska, and with a coal field or fields as best to aid in the development of the agricultural and mineral or other resources of Alaska, and the settlement of the public lands therein ..." (emphasis added)

In large measure the Alaska Railroad has carried out the Congressional mandate given in its organic act. The Alaska Railroad operates 478 miles of single main line track from the deep-water ports of Seward and Whittier through Anchorage to Fairbanks, with branch lines to Eielson Air Force Base, Fairbanks International Airport, Palmer, and the Suntrana coal fields near Healy. The Railroad serves the agricultural communities in the Matanuska Valley. The settlements along the Alaska Railroad encompass the vast majority of the urban development of Alaska and have come to be known as "The Railbelt".

At the time in history when the White Pass and Yukon Railway was constructed, around the turn of the century, and a few years later when the Alaska Railroad was built, the situation in Alaska was vastly different from current conditions. Alaska was almost totally undeveloped. There were virtually no roads -- only trails -- and no automobiles or trucks, no Marine Highway System, and the railroads were the only reasonable transportation alternative to reach the interior of the territory. In short, the railroads were a transportation monopoly with essentially no competing transportation modes.

In addition, Anchorage did not exist until it was built to house the railroad construction crews on public railroad property which was sold to private interests. World-wide transportation and communication were very slow and this fact minimized the need for large military defense installations in Alaska. The principal economic activities in



Alaska were fishing, hunting, trapping, and prospecting. Industrialization was unknown and the economy was very basic, with commerce related to the major economic activities. Only the most hearty and fittest survived the harsh climatic existence.

Alaska today is a startling contrast to the conditions and situations in which the railroads were first constructed. Early railroad decisions had a driving force because railroads were the only reasonable land transportation alternatives at that time. Now, that force has been reduced and changed to defining the role that railroads play in Alaska in the context of a total transportation system. Railroads in Alaska today must meet present market demand for transportation services and define more clearly the services they can provide better or at less cost than other modes in the context of Alaskan and Northwest Canadian development.

The role, market, and service definitions of railroads in Alaska at this time must be applied and evaluated in the examination of the ownership and operational considerations. This is true, not only for the existing railroad system, but also for any railroad expansion including the frequently discussed link to Canadian railroads and through them to the continental United States.

In examining the Alaska Railroad ownership and operations alternatives, it is essential that consideration be given to the other major components of the State's transportation system. Ports, barges, ships, the Marine Highway, pipelines and the State Highway System are of prime importance. Of lesser importance relative to railroad use, development, and operations are the airports and air service (freight and passengers). This latter transportation component is extremely important in Alaska. Its primary relationship to railroads, however, is more indirect, frequently involving only fuel supplies.

Railroad investment decisions, by the federal and state governments, must be made within the framework of other transportation investment decisions. This is especially acute relative to ports and highways, both of which have historically been public investment responsibilities. Governmental decisions regarding port development, for example, will significantly impact upon rail traffic since all freight inbound to Alaska or outbound from the State use port facilities. Thus, public port investment decisions can either enhance or discourage rail traffic depending upon the nature, extent, type, and scheduling of port facilities and services.

By the same token, highway development investment decisions also have important implications on railroad investments and operations.



For example, the George Parks Highway from Fairbanks to Anchorage, completed in 1971, closely parallels the Alaska Railroad between Alaska's two major cities. The opening of this highway substantially reduced the land transportation mileages thereby enabling trucks to pick up cargo at the Port of Anchorage and deliver it more economically to Fairbanks. Therefore, the general public investment in a highway diverted traffic from the Alaska Railroad public investment. The extent of traffic diversion and an analysis of its economic impact including the resulting increase of public investment required on the Alaska Railroad is certainly beyond the scope of services of this project. However, it is clear that substantial diversion did occur and has had longterm implications on the changing role, function, and financial aspects of the Railroad.

A similar example may be found on the White Pass and Yukon Route between Skagway, Alaska and Whitehorse, Yukon. Funded by the Alaskan government and the federal government of Canada, the Skagway to Whitehorse Highway (known as the Klondike or Carcross Highway) was completed in the late summer of 1978. According to the Canadian Transport Commission "Report of Inquiry into the White Pass and Yukon Railway and Other Surface Transportation Services into and out of the Yukon", in its first complete summer of operation, this highway resulted in the erosion of twenty-eight thousand passengers from the White Pass and Yukon Route. Passenger revenues amount to 19% of the railway's total revenues. The White Pass generally carries about 60-70 thousand passengers per year. Traffic diversion due to public investment in alternative transportation modes is obviously one important factor in railroad finances.

It is within this context that the Alaska Railroad ownership and operation alternatives must be examined.

At the time the Department of Transportation and Public Facilities developed the Request for Proposals for this project, the issue of the ownership and operation of the Alaska Railroad was less important than it has become during the project development period. The attention given to this issue by the consultants has been substantially changed during the project by mutual agreement between the consultants and the Department. This change in emphasis has been necessitated by an inquiry by the Federal Railroad Administration, owners and operators of The Alaska Railroad, of the State's interest in the possible acquisition of the Railroad.



Additionally, the Alaska Legislature's interest in the feasibility of establishing a rail link between the Alaska Railroad and Canadian railroads and the continental railroads in the Lower 48 states raises other significant ownership and operational issues. These latter issues include such questions as: Who would own such a link? Who would have operational responsibilities? Is there adequate traffic to cover operational costs? Will there be a return on the capital investment? If operational costs are not covered by revenue, who will assume the responsibility for the required subsidy? If an operational subsidy is required, how long will it be before a subsidy is no longer necessary? What are the implications of such a trans-Alaska/Canada rail link on the present shipping patterns related to the ports of Seattle, Vancouver and others?

Clearly these are important questions. It is also clear that the scope, schedule, and financial resources of this project are inadequate to seek the essential answers to these questions.

It is now the intent of this project to raise key railroad, public investment, and related issues within the framework of the project research and definitional analysis that has been completed. The continuous rail planning process outlined in this project report provides an approach which will enable the decision-makers in Alaska and in the federal government, in cooperation with private interests and supported by an informed public, to have useful information on which to base vital railroad decisions.

In order to better understand the issue of ownership and operation of the Alaska Railroad, it is necessary to make some observations based upon work on this project. These observations may be summarized as follows:

1. There is a strong dedication on the part of officials and employees to the Alaska Railroad and to an effective and efficient operation.
2. The existing traffic base for the Railroad is quite small because of the sparse Alaskan population and limited manufacturing and industrial development.
3. Natural resource development in Alaskan offers opportunities for significantly expanded rail traffic.



4. The Alaska Railroad has not in the past had an effective marketing program in Alaska and in the "lower 48". Recent steps have been taken, however, to strengthen the marketing program. Governmental ownership of the Alaska Railroad makes marketing difficult. Some private transportation companies perceive the Railroad as being unfair competition because of public support for the Railroad.
5. The Alaska Railroad has been largely limited to the use of public funds for capital investments.
6. Alaska Railroad officials must function within governmental constraints such as personnel procedures, procurement practices, and public funding, leading to time delays and frustration.
7. Most employees of the Alaska Railroad are unionized public employees.
8. Much of the traffic on the Alaska Railroad has historically been for the military. Although the Railroad continues to have the capacity for military transport, the traffic in the last decade or so has shifted significantly toward private freight movement.
9. There are major questions regarding the land under the control of the Railroad. The land status is uncertain if the Railroad were to be sold.
10. The institutional, accounting, and other arrangements between the Railroad and Alaska Hydro-Train, Yutana Barge Lines and others require further examination and clarification.
11. The Alaska Railroad is taking the necessary steps to improve its management of real property, partially in response to a General Accounting Office report. These management improvements should increase the income from non-operating property and provide more uniform rental agreements.
12. Rail passenger service on the Alaska Railroad needs careful evaluation relative to the nature of the market and the determination of subsidy sources. Service improvements are planned, but the need for subsidy even with the improvements is apparent.



Further explanation and observations may be found elsewhere in this report.

There are at least four major alternatives for ownership and operation of the Alaska Railroad: (1) federal, (2) state, (3) private, and (4) combination of public and private. Obviously, there are numerous variations or combinations which could be explored. A comprehensive investigation and analysis of each of these alternatives and the longterm implications are essential, but beyond the scope of this project.

Federal Ownership and Operation Alternative

This alternative of a continuation of federal ownership and operation is the maintenance of the status quo. Although this alternative is clearly the easiest to implement since it requires no action by anyone, it appears to be unsatisfactory. The recent inquiry by the Federal Railroad Administration of the interest of the State in acquiring the Railroad is evidence of the federal government's dissatisfaction with the present situation. In some ways it is unfortunate that such an inquiry was made while this project was being undertaken. If the information resulting from the completion of this project had been available to the State before the federal disposition inquiry was made, Alaska decision-makers would have been better prepared to cope with the issue.

Under the present situation, the Alaska Railroad cannot be operated as one would operate a private railroad for six basic reasons: (1) there is no way to seek and be sure of obtaining the much needed capital investment funds, (2) marketing efforts are difficult because of the competition issue, (3) railroad management does not have the required flexibility to make and be accountable for major decisions, (4) railroad employees are unsure whether they work for a railroad or the federal government, (5) the parameters of rail service in Alaska have substantially changed from early conditions under which the Railroad was constructed (previously discussed), and there has not been a recent evaluation of the current applicability of the basic organic act, and (6) the Railroad is unable to be as responsive as it might be in meeting the rail service needs of Alaska in such a dynamic environment.

It is possible to continue to have the federal government own and operate The Alaska Railroad. Some improvements can be made under such circumstances, but the improvements will only be minor and will not include major shifts in the responsiveness and operations of the Railroad.



State Ownership Alternative

Ownership of the Alaska Railroad by the State of Alaska is the second major alternative. It would be possible for the State to own and operate the Railroad. However, several factors seem to favor only State ownership and not State operation, if this alternative is selected. Currently, there is no interest in state railroad operations. The State does not presently have the experience, knowledge, or personnel required to operate the Railroad. In addition, most of the basic reasons why the Railroad cannot be operated under federal jurisdiction as one would operate a private railroad apply equally to State operations. There would also be a tendency for political involvement in operational decisions. For these reasons, the consultants for this project do not consider operation by the State to be a viable or reasonable alternative. The discussion of this alternative is, therefore, confined to State ownership.

The State of Alaska could take title to the Alaska Railroad. Before making such a commitment, however, it will be essential that legal counsel for the State carefully examine the matter and determine the necessary procedures, conditions, and process for acquisition. Undoubtedly there will be many legal questions. One such question is the land issue, specifically related to the quality of the title in light of the Alaska Native Claims Settlement Act of 1971. For example, the Eklutna land decision clearly reserve the right-of-way and all areas used for railroad operations. This decision transferred some \$40 million or more in potential profits from land to Eklutna from the Railroad, thereby affecting the desirability of the property.

An alternative to direct purchase by the State could be the selection of the Railroad's land as a part of the withdrawal by the State of federal land under the Alaska Statehood Act of 1958. It appears that acquisition through selection by the State is a viable alternative if the State determines that acquiring the Alaska Railroad is in its best interest.

State ownership of railroad rights-of-way has become much more common in the last few years, particularly by states which have faced the loss of rail service due to railroad bankruptcy. While state ownership interest started in the Northeastern United States because of massive bankruptcies and abandonments, states in the Midwest and other regions have more recently been faced with similar problems due primarily to the Milwaukee and Rock Island problems.



The chief advantage to Alaska of state ownership is the control of the Railroad and the more effective integration of railroads as a significant component of the State's total transportation system. With state ownership, Alaska could not only plan for the integration of its transportation system among the port, highway, barge and Marine Highway system, but more importantly, the State could more easily implement its transportation plans. As previously pointed out, public responsibilities and state interest already extends to the other transportation modes so essential to the future of the Alaska Railroad. State ownership would provide the Governor, the Legislature, the Department of Transportation and Public Facilities, and other state agency decision-makers with the opportunity to actually make and carry out major significant capital investment decisions between transportation modes. This decision-making and full implementation responsibility relative to transportation could be effectively used to reinforce state policies on land and natural resource protection and development. In this manner the State could assure local rail service to those areas where it is useful to stimulate agricultural, commercial, industrial, and resource development.

An operational agreement could be negotiated with a suitable railroad operator with the necessary conditions thereby assuring rail users with the level and quality of service the State wants and is willing to finance.

It is clear from examination of the financial records of the Railroad that capital and operating losses have occurred from time to time in the past. The data also reveals the likelihood of additional losses. There is evidence that revenue from the freight operations have been necessarily used to subsidized the passenger operations. If the State assumes the ownership and operational responsibility for the Alaska Railroad, Alaska must be prepared to cover any future capital and operating losses.

This approach would also simplify the relationship between the State and the federal government. The State is qualified to receive federal financial assistance under the 803 program of the Railroad Revitalization and Regulatory Reform Act (4R Act) of 1976 as amended unless the Railroad has increased traffic of a magnitude that prevents it from being considered a low density line. The State retains the option of participation in the 803 program as long as it is eligible. Alaska should carefully evaluate the difficulties, time, cost, and federal involvement in considering participation in this Federal Railroad Administration program. State participation in the 803 program requires



following FRA guidelines and obtaining plan and project approvals. It should be noted that this FRA program was designed to assist railroads, through the states, which were facing line abandonments of uneconomic and marginal branch lines and not to accommodate system growth. If full advantage is to be taken by Alaska of its opportunities for economic, agricultural, and resource development, rail service to areas not presently served remains an important consideration by the State.

It should be noted that there are federal funds available for branch line funding, redeemable preference shares, loans and other programs. A transfer of ownership from the federal government to the State does not impair funding eligibility. Arrangements would also be necessary for federal assistance through legislation relative to employee benefits for the current federal employees of the Railroad.

Private Ownership and Operation Alternative

Several years ago, the Federal Railroad Administration expressed some interest in the transfer of the Alaska Railroad from federal ownership and operation to the private sector. At that time the State did not have a Department of Transportation and Public Facilities, the financial resources, or serious interest in State ownership. Expression of interest by railroads in the continental states were sought. Some private companies did express an interest in the possible acquisition of the Railroad.

Those private companies that were most serious carefully evaluated the traffic (existing and potential), the cost of acquisition and operation, and the return on investment. Based upon their analyses, they decided that the return on their investment was insufficient to warrant the financial commitment.

Changes in the traffic base of the Alaska Railroad such as major coal export or mineral extraction and shipment could significantly change the economics of the Railroad. Such changes would make the Railroad more attractive to private investors.

This alternative must be viewed, however, from the State's perspective and not necessarily from the private enterprise view. There



are sound arguments as to why the private sector should be encouraged to own and operate the Railroad. Obviously, the private sector is much more experienced and knowledgeable in railroad ownership and operations. This private approach could potentially expand the public tax base while minimizing the necessity for governmental employment increases. Private companies have more flexibility than public agencies in the management of a business enterprise. In addition, decisions can be made more rapidly in the private sector than in government.

If the Railroad were privately owned and operated, the role of the State of Alaska changes. The State could become the regulator and not the implementor. It will be more difficult to assure the integration of the railroad with other transportation modes. Railroad expansion will be based upon a more strict test of return on investment, profit, and economic considerations.


The trade-off associated with this alternative seems to be private investment capital, know-how, experience, and ability to rapidly respond to changing markets and development in exchange for State or federal control, implementation, public rail service, policy reinforcement, public funds, and transportation system integration.

Public and Private Combination Alternative

The fourth alternative for the ownership and operation of the Alaska Railroad involves a combination of public and private interests. Many possible variations of this alternative appear viable depending upon the relative roles, negotiations, compromises, and decisions. Since the alternative variations are almost endless, it seems appropriate to outline one approach that illustrates the possibilities and serves as a point of departure for discussion purposes.

For purposes of discussion, it is assumed that the public would own the land and facilities. The motive power, rolling stock, and equipment could be owned either privately or by the public. Operational responsibilities are assumed to be by the private sector.

One approach within these parameters would be to have a Board of Directors appointed by the Governor (perhaps for staggered terms and confirmed by the Senate or not). The Board would be made up of



businessmen and people knowledgeable about railroads. They could be paid a reasonable stipend for serving and would be given this total responsibility for oversight of the property and the administration of the contract with the private operator. An example of this type of approach is the USRA Board created by federal legislation.

Consideration would have to be given to the total number of Board members. The responsibilities, authority, power and duties of the Board would have to be carefully determined and articulated. If such a Board is created, it seems appropriate to delineate its access to both public and private funds. Creativity and innovation will be required in the establishment of such an entity. Among the issues requiring attention are the following: (1) operator incentives, (2) source of funds if subsidy is required, (3) freight and passenger service levels and responsibilities, (4) labor provisions, (5) maintenance responsibilities and funding, (6) responsibility for liability, (7) natural disaster recovery, (8) equipment and facility acquisition and disposition, (9) industrial development and property management responsibilities, (10) accountability (to whom and when) and (11) institutional relationships with marine owners and operators. This list is illustrative and not exclusive.

The advantages of public ownership of the land and improvements are numerous. The problem of land ownership disputes would be minimized. There would be no problem of recovery of federal or state funds expended on lines which were discontinued before the expiration of their useful life. Public powers could be used, if necessary, for expansion of the railroad system. The Railroad could more effectively be integrated into the State's total transportation system.

Private operations with incentives for excellence also has advantages. It enables the railroad operations to be carried out by people with relevant experience, training, and capability. Marketing could be conducted in the way it is carried out within the private sector. Rail service requirements could be incorporated into the operational agreement and the users and public could be assured that service is at a proper level by enforcement of the requirements. A reasonable profit level needs to be achievable by the operator.

The public and private combination appears to be one viable alternative for the Alaska Railroad.

Options --

- A. Status Quo
- B. Change in operational oversight within the Federal Government.
 - 1. Place Railroad into independent agency status within U. S. Department of Transportation and no longer under the Federal Railway Administration
 - 2. Make Railroad a semi-independent federal corporation
- C. State Ownership:
 - 1. A division of the State Department of Transportation and Public Facilities similar to Marine Highways.
 - 2. A semi-independent State corporation.
- D. Private Operation
 - 1. Sole ownership
 - 2. A regulated public utility

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STATE OF ALASKA

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

ALASKA TRANSPORTATION COMMISSION

MACKAY BUILDING
338 DENALI STREET — ANCHORAGE 99501

JAY S. HAMMOND, Governor

February 16, 1981

Honorable Bette Cato
State House of Representatives
Pouch V
Juneau, AK 99811

Re: House Bill 52

Dear Representative Cato:

Pursuant to our telephone conference with Representative Halford and you on February 13, 1981, the Alaska Transportation Commission (ATC) submits the following matters relating to House Bill 52.

During the conference, there was extensive discussion of the time periods set by Section 1 of the Bill amending AS 02.05.-070(d). I am enclosing for your review the Civil Aeronautics Board statutes and regulations which impose similar time restrictions on that agency. The provisions of Section 1 follow at least generally the system of time limits for the Civil Aeronautics Board. The Commission is very much concerned that the present language of AS 02.05.070(d) is sufficiently ambiguous that it may very well lead to protracted litigation. For example, the law now states that if a hearing is not held, the Commission must render a decision within 120 days, but if a hearing is held, the Commission has 60 days after the hearing to render a decision. Thus, the Bill seems to clearly distinguish between those cases where hearings are held or are not held. However, it is not clear whether it is enough to take a case out of the 120 day limitation by merely setting a hearing within the 120 days or whether the hearing must actually be held within that 120 day period. The proposed AS 02.05.070(d) now sets a time period of 150 days in which an oral hearing must commence. Basically, this is the original 120 day period plus a 30 day period to notify parties of the hearing. The 150 day period would allow 60 days for notice and protests, approximately 60 days for prehearing procedure such as discovery by the parties and the assembly and pre-filing of evidence, and 30 days for notice of hearing. In summary, the purpose of the revision of the proposed revision

to AS 02.05.070(d) is that specific time limits be set for cases with and without oral hearing. We believe that this procedure will eliminate considerable confusion and litigation.

Since this legislation was submitted to the Governor, a new problem has come to our attention which we would hope the Legislature will be able to address. Chapter 115 of SLA 1980 amended AS 02.05.050(d)(5) to read:

Shall establish and register with the Commission, on forms furnished by the Commission, his base of operations; however, no air taxi operator (PERSON) may operate from more than one base of operations except upon approval of the Commission after a finding that the air taxi operator is fit, willing, and able to provide the additional service (PUBLIC CONVENIENCE AND NECESSITY REQUIRES IT AND A CHANGE IN THE BASE OR BASES OF OPERATION MAY BE MADE ONLY UPON APPROVAL OF THE COMMISSION).

The portion of this amendment which has caused some problem is the elimination of the words "public convenience and necessity require it and a change in the base or bases of operation may be made only upon approval of the Commission." Certain air taxi operators have interpreted the deletion of these words to mean that they may switch their base of operation simply by giving notice to the Commission without any showing of fitness in regard to the area to which they wish to move their base of operations. There currently is one air taxi operator who has given notice that he intends to move his base of operations from a small population area to Fairbanks. We anticipate that this case will soon be involved in litigation. To allow a carrier to change his base of operation at whim would render the fitness provisions of the act totally ineffective. One of the elements of fitness is that a carrier must show "the economic feasibility" of his operations. This means in simple terms that a carrier must provide the Commission with reasonable proof that he can make a go of it in the area he intends to service and that therefore the public will receive the benefit of the proposed service. Obviously, if a carrier can move his base of operations totally at his own discretion, the finding of economic feasibility would be worthless. In addition,

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protestants do retain the ability under the Act to show that the grant of authority would be contrary to the public interest. Again, if a carrier can move its base of operations at its own whim without a hearing, this right of protestants would be evaded. We ask that the Legislature reinsert the words "A change in the base or bases of operations may be made only upon approval of the Commission" in AS 02.05.050(d)(5). Since we do expect this matter to be in litigation by the time the legislation is passed, it would be extremely helpful if a letter of intent would accompany this change in language to indicate that the Legislature is merely making clear its original intent, and is not changing the law.

Finally, we would suggest the following change which we hope would clarify the language of Section 3 of the Bill which amends AS 02.05.110(a). The last portion of that Section now reads:

In determining the fitness of a transferee or leasee under this section, there is a rebuttable presumption that service sought to be transferred or leased is economically feasible.

We would suggest that this language be changed to read:

"In determining the fitness of a transferee or leasee under this section economic feasibility must be shown only if a certificate has not been shown to have been in reasonably continuous and active use".

The end result of either language is approximately the same, however the suggested language will be simpler. If a certificate has been in reasonably continuous and active use there is no need to go through the rather complicated showing of economic feasibility. In the hopes of streamlining the process as much as possible we would hope that the suggested language be adopted.

We thank you for your consideration and cooperation in this matter. We were not informed until today, February 17, 1981, that hearing on this matter would be held February 18, 1981. We regret that on short notice we will be unable to send anyone to testify. Also enclosed for your information is a

Honorable Bette Cato

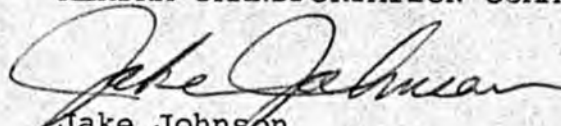
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copy of the recent regulations of the ATC in regard to applications and proof during hearings of the fitness requirements set by AS 02.05.080.

Very truly yours,

ALASKA TRANSPORTATION COMMISSION


Jake Johnson
Commissioner

JJ/CS/jv

cc: Keith Specking
Katie Wallen

filing and upon the other persons who were served with that previous filing. Service shall be effected according to § 302.8.

[§ 302.1608 as amended by Amendment No. 57, effective June 6, 1979, 44 F. R. 32364.]

Subpart Q—Expedited Procedures for Processing Licensed Cases*

[[11,610w]

§ 302.1701 **Applicability.** This subpart sets forth the rules applicable to proceedings on

(a) applications for certificates of public convenience and necessity and renewals, amendments, modifications, suspensions and transfers of certificates under sections 401(d)(1), 401(d)(2), 401(d)(3), 401(g), and 401(h) of the Act;

(b) applications under section 401(e)(7)(B) of the Act for the removal or modification of a term, condition, or limitation attached to a certificate; and

(c) applications for foreign air carrier permits, and renewals, alterations, amendments, modifications, suspensions, and transfers of such permits under sections 402(c) and 402(f) of the Act.

[[11,610w-1]

§ 302.1702 **Subpart A governs.** Except as modified by this Subpart, the provisions of Subpart A of this Part continue to apply.

[[11,610w-2]

§ 302.1703 **Filing of applications.** Any person may file an application of the type described in § 302.1701. Applications for foreign air carrier permits shall be filed as specified in § 211.2 of this chapter. The Board will publish in the Federal Register a weekly list of applications filed under this subpart.

[[11,610w-3]

§ 302.1704 **Contents of applications.** (a) Applications under this subpart (including applications filed under § 302.1720(c) or conforming applications filed under § 302.1720(e) or § 302.1730(c)) shall indicate on the cover page how the applicant proposes that its application be processed (See § 302.1750): Certificate applications shall contain the information required by Part 201 of this chapter and foreign air carrier permit applications shall contain the information required by Part 211 of this chapter. Applications shall also include:

(1) A statement of economic data and other matters that the applicant desires the Board to notice officially;

(2) Written evidence establishing the facts that the applicant relies on to establish its fitness and to show that the grant of the relief requested is consistent with or required by the public convenience and necessity, or is in the public interest, as applicable; and

(3) The applicant's opening argument.

(b) Each application shall be accompanied by an Environmental Evaluation in conformity with Parts 312 and 313 of this chapter unless a waiver or exemption has been granted under § 312.6.

(c) Later filed competing applications shall conform to the base and forecast years used by the original applicant and need not contain traffic and financial data for markets for which data have already been submitted by another person.

(d) Applications shall include a list of the names and addresses of all persons that have been served.

[[11,610w-4]

§ 302.1705 **Service of documents.** (a) *General requirements.* (1) In certificate proceedings involving applications described in § 302.1701(a) and (b), all documents filed before the issuance of the order establishing further procedures (§ 302.1750) shall be served on the persons listed in paragraph (b) of this section, and on any other person who has filed a pleading in the docket. After the order establishing further procedures has been issued, documents need only be served on the persons listed in the service list accompanying that order.

(2) In foreign air carrier permit proceedings described in § 302.1701(c) applicants shall serve on the persons listed in paragraph (b) of this section and the U. S. Department of State a notice that such an application has been filed and, upon request, shall promptly provide those persons with copies of the actual documents. All later documents shall be served on any person that has filed a pleading in the docket.

(b) *Persons to be served.* Documents shall be served, for each point applied for, on the following:

(1) All air carriers certificated under section 401 of the Act and authorized to

* Subpart Q as added by amendment No. 54, effective April 23, 1979, 44 F. R. 24266.

engage in the type of air transportation applied for (scheduled or charter) at one or more of the points for which the applicant seeks authority;

(2) All other air carriers operating at least five flights per week to or from the point listed in the application according to the "Official Airline Guide";

(3) The aviation regulatory agency of the State, territory or possession of the United States in which the point is located or, if there is no aviation regulatory agency, the Governor or other chief executive of the State, territory, or possession;

(4) The mayor or other chief executive of each city involved;

(5) The airport authority of each airport that the applicant proposes to serve; and

(6) In the case of an application sought to be consolidated, all persons served by the original applicant.

(c) *Additional service.* The Board may, in its discretion, order additional service upon such persons as the facts of the situation warrant. Where only notices are required, parties are encouraged to serve copies of their actual pleadings where feasible.

[§ 302.1705 as amended by Amendment No. 58, effective July 3, 1979, 44 F. R. 40495.]

[¶ 11,610w-5]

§ 302.1706. *Computation of time.* All time periods prescribed in this subpart are stated in terms of calendar days. Intermediate Saturdays, Sundays and holidays shall be included in the computation. In all other respects, § 302.16 applies.

[¶ 11,610w-6]

§ 302.1707. *Verification.* The facts asserted in any pleading filed under this subpart shall be attested to by persons having knowledge of them and this attestation shall be stated in an affidavit in support of the pleading. Such persons shall be those who will appear as witnesses to substantiate the facts asserted if an oral hearing becomes necessary.

[¶ 11,610w-7]

§ 302.1708. *Joint pleadings.* Parties having common interests shall, to the extent practicable, arrange for the joint preparation of pleadings.

[¶ 11,610w-8]

§ 302.1709. *Definition of parties.* Notwithstanding the provisions of §§ 302.14 and

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302.15, any person may participate in proceedings under this subpart. Petitions for leave to intervene are not required. Any person may become a party by filing a pleading in the docket before the issuance of the order establishing further procedures.

[¶ 11,610w-9]

§ 302.1710. *Economic data and other facts.* Whenever economic data and other facts are provided, such information shall include enough detail so that final results can be obtained, without further clarification. Sources, bases, and methodology used in constructing exhibits, including any estimates or judgments, shall be provided.

[¶ 11,610w-10]

§ 302.1711. *Continuances and extensions of time.* The procedures described in § 302.17 will apply to proceedings under this subpart. The filing deadlines in certificate proceedings will be strictly enforced and extensions will be granted only in extraordinary circumstances. Extensions in foreign air carrier permit cases will be granted for good cause shown.

[¶ 11,610w-11]

§ 302.1712. *Oral presentation; Initial or recommended decision.* (a) *Cases to be decided on written submissions.* Applications under this subpart will be decided on the basis of written submissions unless the Board, on petition or on its own initiative, determines that an oral presentation or an administrative law judge's decision is required.

(b) *Petitions for oral presentation or judge's decision.* Any party may file a petition for oral evidentiary hearing, oral argument, an initial or recommended decision, or any combination of these. Petitions shall demonstrate that one or more of the criteria set forth in § 302.1770 are applicable to the issues for which an oral presentation or judge's decision is requested. Such petitions shall be supported by a detailed explanation of the following:

(1) Why the evidence or argument to be presented cannot be submitted in the form of written evidence or briefs, including an estimate of the time required for the oral presentation and the number of witnesses whom the petitioner would present;

(2) Which issues should be examined by an administrative law judge and why such issues should not be presented directly to the Board for decisions; and

§ 302.1712(b) ¶ 11,610w-11

(3) If cross-examination of any witness is desired, the name of the witness, if known, the subject matter of the desired cross-examination or the title or number of the exhibit to be cross-examined, what the petitioner expects to establish by the cross-examination, and an estimate of the time needed for it.

(c) *Time for filing petitions.* Petitions for an oral hearing, oral argument, or a judge's decision shall be filed as soon as practicable, but in no event later than: (1) 52 days after the filing of the original application in proceedings governed by § 302.1720; (2) 35 days after the filing of the original application in proceedings governed by § 302.1730; and (3) 14 days after the due date for answers in proceedings governed by § 302.1746.

(d) *Stipulations.* Where a stipulation of disputed facts would eliminate the need for an oral presentation or judge's decision, parties shall include in their petitions an offer to withdraw the request should the stipulation be made.

[§ 11,610w-12]

§ 302.1713 Preliminary procedure for rejection or deferral of nonconforming applications: Within 14 days after the filing of any application under this subpart (including an application which is sought to be consolidated or a conforming application), the Bureau of Pricing and Domestic Aviation or the Bureau of International Aviation, as appropriate, may, on behalf of the Board, (a) reject any application that does not comply with this subpart, or (b) defer further processing of the application until information necessary to process the application is submitted. Applications will not be processed, and the time periods contained in this subpart shall not begin to run, until the application is complete. In addition, the Bureau of International Aviation may, on behalf of the Board, defer action on a foreign air carrier permit application for foreign policy reasons. Petitions for review of the staff action taken under this section may be filed in accordance with Subpart C of Part 385 of this chapter.

[§ 11,610w-13]

§ 302.1720 Procedures in certificate cases. (a) *Applicability.* This section applies to the certificate cases described in § 302.1701(a).

(b) *Notice on cover page.* Applications to which this section applies shall include a notice on the cover page stating that any

§ 11,610w-12 § 302.1712(c)

person that wishes to support or oppose the application must file an answer indicating briefly that person's position, and serve that answer on all persons served with the application. The notice shall also state the due date for answers.

(c) *Conforming applications or motions to modify scope.* Any person may file an application for the same authority as sought in an application filed under § 302.1701(a). Requests to modify the issues to be decided and to consolidate applications filed in other dockets, shall be filed as a "motion to modify scope." Motions and applications under this section shall include economic data, other facts, and any argument in support of the person's position and must be filed within 28 days after the original application is filed.

(d) *Answers to applications.* Any person may file an answer in support of or in opposition to any application. Answers shall set forth the basis for the position taken, including any economic data or other facts relied on. Answers to the original application shall be filed within 28 days after the filing of the original application. Answers to applications filed in accordance with paragraph (c) of this section shall be filed within 42 days after the filing of the original application.

(e) *Answers to motions to modify scope.* Any person may file an answer to a motion to modify scope within 42 days after the filing of the original application. Answers shall set forth the basis for the support of or opposition to the motion, including any economic data or other facts relied on. Answers may argue that an application should be dismissed. Answers may also seek to consolidate an application filed in another docket if that application conforms to the scope of the proceeding proposed in the motion to modify scope and include the information prescribed in § 302.1704. Answers and applications shall not, however, propose the consideration of additional markets.

(f) *Order establishing further procedures.* Within 90 days after the filing of the original application, the Board will issue an order establishing further procedures for processing the case.

[§ 11,610w-14]

§ 302.1730 Procedures in restriction removal cases. (a) *Applicability.* This section applies to the certificate cases described in § 302.1701(b).

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(b) *Applications.* Each application to which this section applies shall be limited to a single city-pair market or a single restriction unless a waiver of this requirement has first been obtained under § 302.1790. All restriction removal applications (including conforming applications under paragraph (c) of this section) shall include a notice on the cover page that any person wishing to support or oppose the application must file an answer briefly describing its position, and serve a copy of the answer on all persons served with the application. The notice shall also state the due date for answers. Any application that does not conform with this paragraph will be rejected unless a waiver has been granted before the application is filed.

(c) *Conforming applications.* The issues in any proceeding under this section will be limited to those raised in the original application. Motions to modify the scope of the proceeding will not be entertained. Any person may file an application conforming to the scope of the proceeding within 14 days after the filing of the original application. Conforming applications are automatically consolidated. Nonconforming applications will be rejected under § 302.1713.

(d) *Answers to applications.* Any person may file an answer in support of or in opposition to any application. Answers to the original application shall be filed within 14 days after the filing of that application. Answers to conforming applications shall be filed within 28 days after the filing of the original application.

(e) *Order establishing further procedures.* Within 60 days after the filing of the original application, the Board will issue an order establishing further procedures for processing the case.

[[11,610w-15]]

§ 302.1740 *Procedures in foreign air carrier permit cases.* (a) *Applicability.* This section applies to the foreign air carrier permit cases described in § 302.1701(c).

(b) *Notice on cover page.* Applications to which this section applies shall include a notice on the cover page stating that any person may support or oppose the application by filing an answer and serving a copy of the answer on all persons served with the application. The notice shall also state the due date for answers. Time limits shall be calculated from the date of filing with the Board's Docket Section. Amendments to applications will be considered new

Aviation Law Reports

applications for the purpose of calculating the time limitations of this subsection.

(c) *Answers to applications.* Any person may file an answer in support of or in opposition to any application. Answers shall be filed within 28 days after the filing of the application and shall include any economic data, other facts, and argument upon which the person relies to support its position.

(d) *Executive departments.* The views of the Department of State and the Federal Aviation Administration's evaluation of the applicant's operational fitness shall be filed not later than the due date for answers to applications.

(e) *Order establishing further procedures.* As soon as possible after the date that answers are due, the Board will issue an order establishing further procedures for processing the case.

[[11,610w-16]]

§ 302.1750 *Disposition of applications—Orders establishing further procedures.* (a) *General requirements.* Within the time limits established in §§ 302.1720(f), 1730(e), or 1740(e), as applicable, the Board will issue an order establishing further procedures in each case. The order will establish the scope of the issues to be considered and the procedures to be employed, and will indicate whether one or more of the Board's bureaus will participate as a party. With respect to all or any portion of each application, the Board will take one of the following actions:

(1) Set the application for oral evidentiary hearing. In this event, all of the procedures set forth in §§ 302.1751 through 302.1755 will apply unless the Board decides otherwise. The Board may limit the scope of the issues to be decided in an oral evidentiary hearing. In that event, the procedures set forth in §§ 302.1751 through 302.1755 will apply to the oral evidentiary hearing phase of the case, and the Board will indicate what procedures will be employed in deciding the other issues in the case.

(2) Dismiss the application. This action constitutes a final Board order subject to judicial review. Petitions for reconsideration of such an order will be entertained. This option will not be used in restriction removal cases under § 302.1730.

(3) Announce that the Board has begun to make a determination with respect to the application under simplified procedures

§ 302.1750(a) [[11,610w-16]]

without oral evidentiary hearing. In this event, the Board will indicate which, if any, of the procedural steps set forth in §§ 302.1752 through 302.1756 will be employed. The Board may also indicate that other non-oral evidentiary hearing procedures will be employed.

(4) Announce that the Board will decide the case by show cause procedures or issue an Order to Show Cause why the application should not be granted.

(b) *Additional evidence.* The order establishing further procedures may provide for the filing of additional evidence.

(c) *Petitions for reconsideration of an order establishing further procedures.* Petitions for reconsideration of an order establishing further procedures will not be entertained except to the extent that the order dismissed all or part of an application. If a petition for reconsideration results in the reinstatement of all or part of an application, the deadline for final Board decision established in § 302.1757 will be calculated from the date of the order reinstating the application.

[§ 11,610w-17]

§ 302.1751 *Oral evidentiary hearing.* If the Board determines under § 302.1750(a) that an oral evidentiary hearing should be held, the application or applications will be set promptly for oral hearing before an administrative law judge of the Board. The issues will be those set forth in the order establishing further procedures.

[§ 11,610w-18]

§ 302.1752 *Briefs to the administrative law judge.* Briefs to the administrative law judge shall be filed within the following periods, as applicable:

(a) 14 days after the close of the oral evidentiary hearing established under § 302.1750(a)(1), unless the administrative law judge determines that, under the circumstances of the case, briefs are not necessary or that the parties will require more time to prepare briefs; or

(b) 14 days after the filing of additional evidence called for in the order establishing further procedures if no oral evidentiary hearing is called for, unless the Board determines that some other period should be allowed.

[§ 11,610w-19]

§ 302.1753 *Administrative law judge's initial or recommended decision.* (a) In a

§ 11,610w-17 § 302.1750(b)

case that has been set for oral evidentiary hearing under § 302.1750(a)(1), the administrative law judge shall issue an initial or recommended decision within 150 days after the issuance of the order establishing further procedures unless:

(1) The Board, having found extraordinary circumstances, has by order delayed the initial or recommended decision by a period of not more than 30 days; or

(2) An applicant has failed to meet the procedural schedule adopted by the judge or the Board. In this case the administrative law judge may, by notice, extend the due date for the issuance of an initial or recommended decision for a period not to exceed the period of delay caused by the applicant.

(b) In a case in which some of the issues have not been set for oral hearing under § 302.1750(a)(1), the administrative law judge shall issue an initial or recommended decision within the time established by the Board in the order establishing further procedures, except that that due date may be extended in accordance with paragraph (a)(2) of this section.

(c) Unless exceptions are filed under § 302.1754 or the Board issues an order to review on its own initiative, an initial decision shall become effective as the final order of the Board 30 days after it is served. Where exceptions are timely filed or the Board takes action to review on its own initiative, the effectiveness of the initial decision is stayed until further order of the Board.

(d) In all other respects, the provisions of § 302.27 shall be applicable.

[§ 11,610w-20]

§ 302.1754 *Exceptions to administrative law judge's initial or recommended decision.*

(a) *Time for filing.* Within 14 days after service of any initial or recommended decision of an administrative law judge, any party may file exceptions to the decision with the Board.

(b) *Form and content of exception.* Exceptions shall comply with § 302.30(b).

(c) *Effect of failure to file timely and adequate exceptions.* The provisions of § 302.30(c) shall apply.

(d) *Review is automatic.* If timely and adequate exceptions are filed, Board review of the initial or recommended decision is automatic.

[[11,610w-21]]

§ 302.1755 Briefs before the Board. The provisions of § 302.31 shall apply to briefs before the Board, except that:

(a) In a case in which an initial or recommended decision has been issued and exceptions have been filed, any party may file a brief to the Board in support of or in opposition to any exceptions. Such briefs shall be filed within 21 days after service of the initial or recommended decision.

(b) In a case in which an initial or recommended decision has been issued and no exceptions have been filed, briefs to the Board shall not be filed unless the Board has taken review on its own initiative and specifically provided for the filing of briefs to the Board.

(c) In a case in which an initial or recommended decision will not be issued, briefs to the Board may be filed only if specifically provided for in the order establishing further procedures, and only upon the issues specified in that order. Such briefs may be filed by any party within 21 days after the service date of the order establishing further procedures, unless that order established a different due date.

[[11,610w-22]]

§ 302.1756 Oral argument before the Board. If the order establishing further procedures provides for an oral argument, or if the Board otherwise decides to hear oral argument, all parties will be advised of the date and hour set for that argument and the amount of time allowed each party. The provisions of § 302.32(b) shall also apply.

[[11,610w-23]]

§ 302.1757 Final decision of the Board. In addition to the provisions of § 302.36, the following provisions shall apply:

(a) In the case of a certificate application that has been set for oral evidentiary hearing under § 302.1750(a)(1), the Board will issue its final order within 90 days after the initial or recommended decision is issued. If an applicant has failed to meet the procedural schedule established by the Board, the Board may, by notice, extend the date for a final decision for a period equal to the period of delay caused by the applicant.

(b) If the Board does not act in the time period established in paragraph (a) of this section:

(1) In the case of an application for a certificate to engage in interstate or over-
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seas air transportation, the initial or recommended decision shall become the final decision of the Board and shall be subject to judicial review under section 1006 of the Act; and

(2) In the case of an application for a certificate to engage in foreign air transportation, the initial or recommended decision shall be transmitted to the President under section 801 of the Act.

(c) In the case of a certificate application that has been processed under § 302.1750 (a)(3) or (4), the Board will issue its final order within 180 days after the order establishing further procedures. If an applicant has failed to meet the procedural schedule established by the Board, the Board may, by notice, extend the due date for a final decision for a period equal to the period of delay caused by the applicant.

[[11,610w-24]]

§ 302.1758 Petitions for reconsideration. The provisions of § 302.37 shall apply to petitions for reconsideration.

[[11,610w-25]]

§ 302.1760 Internal procedures. (a) In deciding which of the procedures set forth in § 302.1750 will be used for each case under this subpart, the Board will receive a recommendation from the Director of the Bureau of Pricing and Domestic Aviation (in cases involving interstate or overseas air transportation) or the Director of the Bureau of International Aviation (in cases involving foreign air transportation). That recommendation will be coordinated with the General Counsel and the Chief Administrative Law Judge, or their designees. If there is disagreement in that group, separate recommendations will be promptly submitted to the extent necessary to reflect their views.

(b) In deciding each case under this subpart on the merits, the Board will receive a recommendation from either (1) the Director of the Bureau of Pricing and Domestic Aviation (in cases involving interstate or overseas air transportation) or the Director of the Bureau of International Aviation (in cases involving foreign air transportation); or (2) the General Counsel; or their designees. The originator of that recommendation will coordinate it with the other staff element listed above in this subparagraph and with the Director of the Office of Economic Analysis, or their designees. If there is disagreement among that group, separate recommendations will

§ 302.1760(b) ¶ 11,610w-25

be promptly submitted to the extent necessary to reflect those views.

¶ 11,610w-26

§ 302.1770 Criteria for use of oral evidentiary hearing procedures and assignment of a case to an administrative law judge. The Board will assign applications made under §§ 302.1701, 1720(c) and (e), 1730(c) and 1740 for consideration under the expedited procedures of this subpart and order the record presented directly to the Board for final decision unless it determines that:

(a) use of expedited procedures will prejudice a party;

(b) material issues of decisional fact cannot adequately be resolved without oral evidentiary hearing procedures; or

(c) assignment of an application for oral evidentiary hearing procedures or an initial or recommended decision by an administrative law judge is otherwise required by the public interest.

¶ 11,610w-27

§ 302.1780 Standards for deciding cases in which expedited, simplified procedures are employed. The standards employed in deciding cases under § 302.1750(a)(3) or (4) shall be the same as the standards applied in cases decided under § 302.1750(a)(1). These are the standards set forth in the Federal Aviation Act of 1958, as amended, as interpreted and expanded upon in the Board's decisions.

[Interim Certification Under Public Law 87-528 begins on page 5301-23.]

* Added by Amendment No. 1, effective November 10, 1970, 35 F. R. 17657.

¶ 11,610w-26 § 302.1770

¶ 11,610w-28

§ 302.1790 Waivers. Upon the filing of a motion, the Office of the General Counsel, Bureau of Pricing and Domestic Aviation, or the Bureau of International Aviation, as appropriate, may, on behalf of the Board, grant such waivers from the terms and limitations contained in this subpart as it shall find to be consistent with the public interest and the proper dispatch of the Board's business. Petitions for review of the staff action taken under this section may be filed in accordance with Subpart C of Part 385 of this chapter.

[Subpart R—Rules Applicable to Unused Authority Proceedings revoked by Amendment No. 50, effective January 17, 1979, 44 F. R. 4657. See ¶ 12,755 et seq. for current rules.]

¶ 11,610w-29

Appendix A*

Index to Rules of Practice

[Appendix A not reproduced. Copies may be obtained from the Publication Services Section, Civil Aeronautics Board, Washington, D. C. 20408.]

Note: The reporting requirements contained in sections 1803, 1805, 1806, 1809 and 1810 have been approved by the U. S. General Accounting Office under Number B-180226 (RO568).

[Note as added by Amendment No. 46, effective November 30, 1978, 43 F. R. 57141.]

**TITLE IV—AIR CARRIER ECONOMIC REGULATION
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

[¶ 1171] Certificate Required

Sec. 401 [49 U. S. Code 1371]. (a) No air carrier shall engage in any air transportation unless there is in force a certificate issued by the Board authorizing such air carrier to engage in such transportation.

Source: Sec. 401(a), Civil Aeronautics Act of 1938, except that "grandfather" clause has been deleted.

[¶ 1172] Application for Certificate

(b) Application for a certificate shall be made in writing to the Board, shall be in such form and contain such information, and shall be accompanied by such proof of service upon such interested persons, as the Board shall by regulation require, and upon any community affected.

[Sec. 401(b) amended by Public Law 95-504, 95th Congress, 2nd Session, approved October 24, 1978, 92 Stat. 1710.]

Source: Sec. 401(b), Civil Aeronautics Act of 1938.

[¶ 1173] Route Applications

(c) (1) Upon the filing of any application pursuant to subsection (b) of this section, the Board shall give due notice thereof to the public by posting a notice of such application in the office of the secretary of the Board and to such other persons as the Board may by regulation determine. The Board shall—

- (A)** set such application for a public hearing;
- (B)** begin to make a determination with respect to such application under the simplified procedures established by the Board in regulations pursuant to subsection (p); or
- (C)** dismiss such application on the merits;

not later than ninety days after the date the application is filed with the Board. Any interested person may file with the Board a protest or memorandum of opposition to or in support of the issuance of the certificate requested by such application. Any order of dismissal of an application issued by the Board without setting such application for a hearing or beginning to make a determination with respect to such application under such simplified procedures, shall be deemed a final order subject to judicial review in accordance with the provisions of section 1006 of this Act.

(2) If the Board determines that any application should be set for a public hearing under clause (A) of the second sentence of paragraph (1) of this subsection, an initial or recommended decision shall be issued not later than one hundred and fifty days after the date of such determination by the Board. Not later than ninety days after the initial or recommended decision is issued, the Board shall make its final order with respect to such application. If the Board does not act within such ninety-day period—

(A) in the case of an application for a certificate to engage in interstate or overseas air transportation, the initial or recommended decision shall become the final decision of the Board and shall be subject to judicial review in accordance with the provisions of section 1006 of this Act; and

(B) in the case of an application for a certificate to engage in foreign air transportation, the initial or recommended decision shall be transmitted to the President pursuant to section 801 of this Act.

(3) Not later than the one-hundred-eightieth day after the Board begins to make a determination with respect to an application under the simplified procedures established by the Board in regulations pursuant to subsection (p) of this section, the Board shall issue its final order with respect to such application.

(4) If an applicant fails to meet the procedural schedule adopted by the Board in a particular proceeding, the applicable period prescribed in paragraph (2) or (3) of this subsection may be extended by the Board for a period equal to the period of delay caused by the applicant. In addition to any extension authorized by the preceding sentence, in extraordinary circumstances, the Board may, by order delay an initial or recommended decision for not to exceed thirty days beyond the final date on which the decision is required to be made.

[Sec. 401(c) amended by Public Law 95-504, 95th Congress, 2nd Session, approved October 24, 1978, applicable to applications filed under section 401(b) on or after the one-hundred-eightieth day after date of enactment, 92 Stat. 1711.]

Source: Sec. 401(c), Civil Aeronautics Act of 1938.

¶ 1174 Issuance of Certificate

(d) (1) The Board shall issue a certificate authorizing the whole or any part of the transportation covered by the application, if it finds that the applicant is fit, willing, and able to perform such transportation properly and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder, and that such transportation is consistent with the public convenience and necessity; otherwise such application shall be denied.

(2) In the case of an application for a certificate to engage in temporary air transportation, the Board may issue a certificate authorizing the whole or any part thereof for such limited periods as is consistent with the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform such transportation and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder.

(3) In the case of an application for a certificate to engage in charter air transportation, the Board may issue a certificate to any applicant, not holding a certificate under paragraph (1) or (2) of this subsection on January 1, 1977, authorizing interstate air transportation of persons, which authorizes the whole or any part thereof for such periods, as is consistent with the public convenience and necessity, if it finds that the applicant is fit, willing, and able properly to perform the transportation covered by the application and to conform to the provisions of this Act and the rules, regulations, and requirements of the Board hereunder.

(4)(A) Notwithstanding any other provision of this Act, any citizen of the United States who undertakes, within any State, the carriage of persons or property as a common carrier for compensation or hire with aircraft capable of carrying thirty or more persons pursuant to authority for such carriage within such State granted by the appropriate State agency is authorized—

(i) to establish services for persons and property which includes transportation by such citizen over its routes in such State and transportation by an air carrier or a foreign air carrier in air transportation; and

(ii) subject to the requirements of section 412 of this title, to enter into an agreement with any air carrier or foreign air carrier for the establishment of joint fares, rates, or services for such through services.

(B) The joint fares or rates established under clause (ii) of subparagraph (A) of this paragraph shall be the lowest of—

(i) the sum of the applicable fare or rate for service in the State approved by the appropriate State agency, and the applicable fare or rate for that part of the through service provided by the air carrier or foreign air carrier;

(ii) a joint fare or rate established and filed in accordance with section 403 of this Act; or

(iii) a joint fare or rate established by the Board in accordance with section 1002 of this Act.

(5)(A) Except as provided in subparagraphs (B) and (G)(i) of this paragraph, if an air carrier is authorized by its certificate to provide round trip service

STATE OF ALASKA

DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT

ALASKA TRANSPORTATION COMMISSION

JAY S. HAMMOND, Governor
MACKAY BUILDING
338 DENALI STREET — ANCHORAGE 99501

March 24, 1981

Our Reference: AD-3-E-66-69
Telephone: 274-1691

Enclosed is Air Taxi Certificate E-66-69 (amended) which is issued to replace the certificate dated January 2, 1981 and transmitted with our letter of January 28, 1981.

Prior to January 1, AS 02.05.055 provided:

Sec. 02.05.055. Public convenience and necessity required for operation of different types of aircraft. Before a certificated contract or air taxi operator may operate a different type of aircraft from that which he operated in Alaska during the period of May 1, 1965, to May 1, 1966, there must be a finding by the commission that public convenience and necessity require it.

AS 02.05.055 now provides:

Sec. 02.05.055. Requirements for operation of different types of aircraft [Effective January 1, 1981]. Before a certificated carrier may operate a different type of aircraft from that authorized by his certificate or which he operated in Alaska during the period of May 1, 1978 to May 1, 1980, there must be a finding by the commission that public convenience and necessity require it.

AS 02.05.250(b) defines type of aircraft as:

March 24, 1981

(A) the classification of aircraft as being either fixed wing aircraft or rotary wing aircraft, and

(B) as to fixed wing aircraft in excess of 12,500 pounds gross certificated takeoff weight, a specific make and basic model of aircraft, including modifications to it that do not change its handling characteristics.

Order 80-612 effective December 3, 1980, in Docket 80-188-AS/I adopted regulations pertaining to aircraft size and provides for:

...the operating authorities of all air carriers whose authority is restricted to the utilization of aircraft smaller than aircraft having a maximum payload capacity of not more than 7,500 pounds or a maximum seating configuration, exclusive of pilot's seat, of not more than 30 passengers as determined under regulations of the Federal Aviation Administration as of January 1, 1980, are amended to authorize the utilization of aircraft having a maximum payload capacity of not more than 7,500 pounds or a maximum seating configuration for not more than 30 passengers, and their certificates shall be reissued accordingly...

The Order directs the 7,500 pounds payload - 30 passenger standard to be applied to the type of aircraft defined by AS 02.05.250(6)(B) rather than the certificated gross takeoff weight of 12,500 pounds contained in the statute.

Based on the above and Order 80-291 effective June 30, 1980, in Docket 80-101-AT/I which directed the elimination of geographical service areas from the operating authorities issued to air taxi operators, the staff reviewed all air commerce certificates and air carrier files and prepared reissued certificates in accordance with these directives.

In conjunction with this project AS 02.05.055, effective January 1, 1981, was interpreted as amending the authorities of all air carriers to permit the operation of only those types of aircraft the carrier operated between May 1, 1978 to May 1, 1980 or as specifically found by the Commission to be required

March 24, 1981

by the public convenience and necessity. Authorized aircraft heavier than the 7,500 pounds - 30 passenger size standard were set forth by make and model.

Several carriers have taken exception to this interpretation of AS 02.05.055 alleging that AS 02.05.055 also provides that carriers may operate aircraft as authorized by their certificate in effect prior to the effective date of the amendment, and does not contain a specific directive limiting operating authorities to those types of aircraft operated in Alaska between May 1, 1978 and May 1, 1980.

Upon review of AS 02.05.055, it appears that the section is ambiguous. Given the intent of the legislature to ease regulation, we have concluded that 02.05.055 should be interpreted to give air carriers the greatest possible freedom. Therefore, if a carrier had authority prior to May 1, 1980 which was broader than the authority actually used during May 1, 1978 to May 1, 1980, the broader authority remains in effect. We believe this latter interpretation to be more consistent with the intent of the legislature than our original interpretation of AS 02.05.055. Further, in the past, the Commission has indicated no substantial public interest is served in limiting carriers to the specific aircraft if there is no showing that such limitation is consistent with the public interest.

In view of the above we have issued the enclosed certificate, as modified by Order 80-291 and 80-612, without a restriction as may be interpreted in AS 02.05.055.

In essence, the enclosed certificate, expressed in the Commission's current style, represents the operating authority acquired by the named person. Except to the extent ordered by the Commission in the above orders, it is not intended to accomplish any enlargement or diminution of operating authority. Accordingly, the certificate should be reviewed carefully to make certain that it expresses those operating rights which properly should be embraced therein, including the service authorized, the points or territory authorized to be served, and any restrictions imposed.

Any discrepancies, including inadvertent exclusions or inclusions of operating rights, as well as purely typographical errors, should be brought to the attention of the Commission

Pacific Alaska Airlines, Inc. -4-

March 24, 1981

within fifteen (15) days from the date of this letter for such action as may be warranted.

If you desire further information or assistance, please contact a member of the Commission staff at the above address or telephone number shown near the letterhead.

Very truly yours,

ALASKA TRANSPORTATION COMMISSION

Donald F. Searcy

Donald F. Searcy
Executive Director

by [Signature]

DFS/jv

Enclosure

cc: Arthur Ronald Hauver
Attorney at Law
750 W 2nd Ave., Suite 200
Anchorage, AK 99501

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 4, 1981

*Returned
to Tom 5/5*

SUBJECT: CSHB 52 (Transportation)

TO: Representative Bette M. Cato
Chairman, House Transportation Committee
Attn: Carol Burnside

FROM: Thomas A. Sofo *TAS*
Legislative Counsel

Recognizing that time is a factor at this point in the session, I am returning the draft of CSHB 52 (Transportation) with the changes which you have requested. The revisor and I have had several discussions concerning the necessity and impact of the language which has been added to Sec. 5 of the bill appearing on page 2, lines 25 - 29. We are both still completely confused as to the purpose behind this language. It seems that all aircraft are included within the categories which are set up in AS 02.05.250(6)(B). If this is true, that section would be more cleanly be drafted to read:

(B) As to fixed wing aircraft, a specific make and basic model of aircraft, including modifications to it that do not change its handling characteristics;

It is my understanding that there is a need for the internal lines which are drawn in the definition as presently contained in the attached draft. If there is time, we would appreciate a chance to consult with whomever feels that this specific manner of presentation is necessary. We believe the current wording to be confusing.

In addition, we have changed the title to this bill somewhat, in as much as Sec. 6 of the attached draft arguably violates the single-subject matter rule. We believe the present title more properly reflects the single subject of this bill, if there is one.

TAS:ljb

Enclosure



Alaska State Legislature

House of Representatives

Official Business

Pouch V
State Capitol
Juneau, Alaska 99811

March 25, 1981

M E M O R A N D U M

To: Rep. Bette Cato
Chairman, House Transportation Committee

From: Rep. Ken Fanning

Re: HB 52

A constituent has expressed a desire to testify on HB 52, relating to changes in Alaska Transportation Commission rules, if it comes up again.

If the bill is going to be considered again in the Transportation Committee, please notify me at least a week in advance, so that I may in turn notify my constituent.

Thank you.

3 AAC 68.020 is repealed and readopted to read:

3 AAC 68.020 APPLICATIONS (a) Applications must be prepared and presented to the commission in a form prescribed by it. Applicants shall submit all information required by law which includes but is not limited to:

(b) For applications for original authority or applications for the extension of authority;

(1) the nature of the service to be provided and the kind of certificate requested;

(2) the schedule of rates to be charged for each class of service; and

(3) if applicable, a statement why the service over the routes or from or to the base of operations to be served is required by the public convenience and necessity and is consistent with the declaration of policy contained in AS 02.05.010.

(4) the information set forth in section 041 of this chapter.

(c) For applications for the transfer of authority pursuant to AS 02.05.110.

(1) evidence that the certificate has been in reasonably continuous and active use.

(2) evidence that the transferee is fit in accordance with section 041 of this chapter. However, only if the certificate has not been shown to have been in reasonably continuous and active use, must the transferee show that the operation is economically feasible.

(3) a certified statement of all unpaid loss or damage claims against the transferor or if there are none, a certified statement that there are none.

(4) the acquisition or purchase agreement between the parties.

(5) any escrow agreement of the parties.

(6) supporting affidavits attesting to the fact that the agreement has become effective.

(d) An application is not complete unless all the information requested by the Commission has been supplied to the commission. However, the commission, will in its discretion, accept for processing, applications which are substantially complete. If after direction to do so, evidence is not supplied to the Commission in a timely manner, the Commission, will in its discretion, dismiss any application without further proceedings. (Eff. 4/14/61, Register 3; am. / / Register)

Authority: AS 02.05.030
AS 02.05.070
AS 02.05.110
AS 42.07.121

Chapter 68 to 3 AAC is amended by adding a new section, 3 AAC 68.041 to read:

3 AAC 68.041 FITNESS. (a) Economic Feasibility - Service is economically feasible if it can reasonably be expected to continue for a substantial period of time. In determining if a proposed service is economically feasible, the commission, will in its discretion, consider the following factors:

(1) the availability and commitment of capital for the initiation and continuing performance of the proposed service.

(2) whether the reasonably expected revenue in relation to the start-up and operating expenses of the proposed service will be adequate to provide safe, adequate, economical, efficient, and continuous service.

(3) any other relevant factors which indicate that a proposed operation will be economically feasible.

b. Each applicant has the burden to present reasonable proof of its fitness. This subsection sets forth guidelines for fitness evidence. However, this subsection is directive only and the evidence, may vary from this subsection. The commission, including its staff and hearing officers may direct that any relevant evidence be filed with the commission.

(1) a description of the applicant's current fleet of aircraft and its plans for the purchase or lease of aircraft, including:

A. the number of each make and model of aircraft presently owned or leased and the number of each make and model of aircraft to be purchased or leased;

B. the applicant's plans for financing the acquisition or lease of additional aircraft; and

C. a sworn affidavit stating that each aircraft owned or leased has been certified by the FAA and currently complies with all FAA safety standards;

(2) a detailed explanation of the proposed service, including maps or sketches of routes or areas; showing any major connections or cooperating carriers, and including frequency schedules (time tables).

(3) a detailed list of locations and descriptions of offices, terminals, or other business facilities that the applicant intends to maintain and how the applicant intends to finance and operate those facilities.

(4) the following financial statements prepared in accordance with standard accounting practices:

A. the balance sheet of the applicant and each relevant company for the last fiscal or calendar year if the balance sheet is no older than six months prior to the application date. If the balance sheet for the last fiscal or calendar year is older than six months, an updated balance sheet no older than 90 days prior to the date of application.

B. the income statement of the applicant and each relevant company for the last fiscal or calendar year if the income statement is no older than six months prior to the application date. If the income statement for the last fiscal or calendar year is older than six months, an updated income statement no older than 90 days prior to the date of application.

C. a statement of significant accounting policies of the applicant and each relevant company.

D. all footnotes applicable to the financial statements.

E. a forecast income statement through the first normalized year of operations. The forecast income statement must include the revenue per hour by passenger and cargo for each different aircraft or the revenue for each different aircraft per passenger mile and per ton mile or the contract revenue (in the case of contract carriers). The forecast income statement must also include the unit costs of the proposed operation for each different aircraft, except for fixed fee contracts in which case total cost for each contract must be given. The forecast income statement must include the underlying data, assumptions, and calculations necessary to explain and fully understand the revenues and unit costs used, and a description of the manner in which costs and revenues are allocated.

(5) a statement of all start-up costs which are not shown in the forecast income statement or the balance sheet.

(6) the identity of the key personnel who will be employed by the applicant, including:

A. their names and addresses;

B. the experience (including total experience in aviation, experience in Alaska, and experience in the area to be served), expertise (including commercial licenses held and identified by number and date of issue), and responsibilities of each;

C. nature and percentage of the ownership in the applicant or the amount of the applicant's stock held by each;

D. a description of the officership, directorships, shares of stock (if five percent or more of total voting stock outstanding) and other interests each holds in any air carrier, or persons whose principal business (in purpose or

fact) is the holding of stock in or control of any air carrier.

(7) information concerning any court or administrative agency decision issued within the previous three years that the applicant, any of its key employees, any person having a substantial interest in the applicant, or any relevant company has been found in violation of a federal or state transportation law or regulation or any unfair, deceptive or anticompetitive business practice, or of fraud or antitrust violations.

(8) if the applicant is an association, joint venture, or any other form of business (except sole proprietorship, partnership, or corporation), it shall provide a copy of its working agreement, by-laws, and names, addresses, and relationships of those who are party to the agreement, a statement showing the proportionate interest of each person in the applicant and a description of the ownership, officership, directorship, shares of stock (if five percent or more of the ownership or control) and other interest each holds in any person and an applicant shall specifically describe any interest it has in an air carrier or person whose principal business (in purpose or fact) is the holding of stock in or control of any air carrier.

(9) if the applicant does not hold a certificate and is a partnership or corporation, a copy of partnership agreement or certified copy of articles of incorporation and by-laws.

(10) if the applicant is a partnership or a corporation, a list of the names, addresses, relationships, and holdings of all partners or those persons having five percent or more of the ownership or total voting stock outstanding and a description of the ownership, officership, directorship, shares of stock (if five percent or more of the ownership or total voting stock outstanding) and other interest each has in any person and an applicant shall specifically describe any interest it has in an air carrier or person whose principal business (in purpose or fact) is the holding of stock in or control of any air carrier.

(11) if the applicant is a corporation, a copy of a certificate of compliance obtained from the Alaska Department of Commerce and Economic Development, Division of Corporations, Pouch D, Juneau, Alaska 99811 as proof that it is currently in good standing and entitled to do business in the State of Alaska.

(12) an applicant shall include a list of any parent or subsidiary companies, including a description of each parent's subsidiary's principal business and a description of its relationship to the applicant.

(c) Financial Capability - An applicant has the financial capability to provide a proposed service if the applicant has sufficient funds to internally finance the proposal, or if the applicant presents a financing plan which, when carried out, will provide sufficient resources to operate without undue risk to consumers.

(d) Definitions. As used in this Section unless the context otherwise requires,

(1) "commission" means the commissioners and the staff including the hearing officers of the Alaska Transportation Commission.

(2) "contract revenue" means the total revenue which the applicant expects to receive pursuant to each contract for contract carriage;

(3) "normalized operations" means those operations which are relatively free of start-up costs and temporary barriers to full scale operations posed by the carrier's limited experience;

(4) "passenger mile" means the carriage in air commerce of one passenger for one statute mile (5,280 feet);

(5) "relevant companies" mean the applicant, any predecessor of the applicant (i.e., any air carrier in which any directors or principal officers once had a substantial interest), and any company (including a sole proprietorship or partnership) which has a significant financial or managerial influence on the applicant. This includes but is not limited to: (1) any company (including a sole proprietorship or partnership) holding more than 50 percent of the ownership or outstanding voting stock of the applicant, (2) any company (including a sole proprietorship or partnership) holding between 20 percent and 50 percent of the ownership or outstanding voting stock of the applicant and which has significant influence over the applicant or air carrier indicated by 25 percent representation on the Board of Directors, participation in policy-making processes, substantial intercompany transactions, or managerial personnel with common responsibilities in both companies;

(6) "revenue per hour" means the total estimated revenue from a proposed operation for a given period of time divided by the number of hours flown to achieve that revenue. The number of hours flown must be stated in terms of the time period charged for in the applicant's proposed tariff, such as, block hours, take off to touch down, or time as measured by the aircraft's Hobb's meter;

(7) "substantial interest" means five percent or more of ownership or outstanding voting stock in the entity;

(8) "ton mile" means the carriage in air commerce of 2,000 pounds of cargo for one statute mile (5,280 feet);

(9) "unit costs" mean the total costs of the proposed service for a given period of time per hour or per mile. (Eff.

/ / Register)

Authority: AS 02.05.010
AS 02.05.030
AS 02.05.080
AS 02.05.110
AS 42.07.121

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 52
 Title Miscellaneous amendments pertaining to the Alaska Transportation
 Requested by Governor Date 12/8/80

II. FISCAL DETAIL

Agency Affected Alaska Transportation Commission
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Alaska Transportation Commission
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		0	0			
200 TRAVEL		0	0			
300 CONTRACTUAL		0	0			
400 COMMODITIES		0	0			
500 EQUIPMENT		0	0			
600 LAND & STRUCTURES		0	0			
700 GRANTS, CLAIMS, ETC.		0	0			
TOTAL		0	0			

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		0	0			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		0	0			
PART TIME		0	0			
TEMPORARY		0	0			

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

IV. DATE 12/8/80 PREPARED BY Wally Kublev
 AGENCY Alaska Transportation Commission
 Original: Legislative Finance PHONE 279-1451
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

BUDGET REQUEST UNIT (BRU)		Alaska Transportation Commission	
POLICY BUDGET PROGRAM TITLE		Consumer Protection	
CATEGORY		Same	
AGENCY	Department of Commerce & Economic Development	DIVISION	
NAME & POSITION OF BRU MANAGER	Keith H. Miller, Chairman	PHONE	279-1451
NAME & POSITION OF AGENCY CONTACT		PHONE	
COMMISSIONS AND/OR ADVISORY BOARDS WHICH HAVE BEEN CONTACTED/OTHER PUBLIC INPUT CONSIDERED IN PREPARING BUDGET REQUEST:			
SIGNATURE OF AGENCY HEAD		DATE	
<i>Keith H. Miller</i>		October 24, 1980	

AGENCY Dept. of Commerce & Ec Dev.

Program Consumer Protection

BRU Alaska Transportation Commission

DETAIL BUDGET SUBMISSION

FY 82

00570

01 1168-801

RECEIVED

OCT 28 1980

BUDGET AND MANAGEMENT

STATUTORY BASIS:

Alaska Transportation Commission Act AS 42.07
Alaska Motor Freight Carrier Act AS 42.10
Alaska Air Commerce Act AS 02.05

POLICY BUDGET PROGRAM GOAL(S), LONG TERM OBJECTIVE(S), AND POLICY DIRECTIVES WITH WHICH THIS BRU IS CONCERNED:

Program Area Goal: To ensure that Alaskan consumers, both individual and business, are provided with goods and services that comply with acceptable standards of disclosure, quality, dependability and safety at equitable prices.

Long Term Objectives: Maintain balanced level of regulation and competition.

Ensure an informed public so that it is aware of its rights and responsibilities.

To ensure that all citizens in the State of Alaska receive the protection and services required by law.

Related Policy Directives: "To improve the ability of the private market system to provide needed goods and services."

BRIEF DESCRIPTION OF BRU ACTIVITIES/AND THEIR RELATIONSHIP TO THE GOALS & OBJECTIVES:

The Alaska Transportation Commission has an obligation imposed by statute to regulate transportation in the State of Alaska for the protection of shippers, receivers of freight and passengers. It is our purpose to provide a stable rate level, adequate, safe and dependable transportation for the general shipping public while maintaining a competitive atmosphere and sound economical base for the transportation industry in Alaska. Efficient tariff regulation is necessary to reduce consumer dollars lost due to unfair business practices. The Commission needs to enlarge its analytical staff to establish reporting procedures and make comparisons of the rates of carriers to provide a financial analysis of the transportation market.

Enforcement of statutes and regulations provides protection to both the providers and users of transportation services. Public protection is also accomplished by the statutory requirements that carriers of passengers and freight have adequate minimum liability insurance on file with the Commission.

Recent legislation (Ch. 115 SLA 1980) provided for economic deregulation of buses and tow trucks under 14,000 GVW operating as a common carrier but required that this Commission ensure that these carriers have insurance.

It is a goal of this Commission to offer an education program to buyers and sellers of transportation and to the general public to ensure that everyone is aware of their rights and responsibilities and that, by regulation, they can be assured of equal and just treatment.

AGENCY Dept. of Commerce & Ec Dev.

PROGRAM Consumer Protection

FY 82

BRU Alaska Transportation Commission

1 DEFINITION STATEMENT

REVISED
DATE

00571

WHICH SHORT-TERM PROGRAM OBJECTIVE IS BEING ADDRESSED? (FROM FORM P1A)	BRU FUNCTION NUMBER	HOW WILL THIS BRU CONTRIBUTE TO EACH PROGRAM OBJECTIVE BEING ADDRESSED?
<p>Identify the need and establish public education programs with the greatest cost benefit ratio.</p> <p>Identify required levels of services and initiate programs to insure that the same degree of regulatory protection is provided to all individuals.</p> <p>Reduce consumer dollars lost due to fraud and unfair business practices through investigation and prosecution of violators and utilization of public awareness programs. Verify the soundness and qualifications of financial and insurance institutions, and regulated providers through examination and reporting procedures.</p> <p>Maintain current levels of regulation and promotion of competition.</p>	<p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p>	<p>Increase use of Journal for notification of general interest information, mailouts to all interested persons and distribution of information pamphlets. Place more enforcement emphasis on noticing by carriers to the public of increases in rates and practices. Program regular surveys of carriers operations.</p> <p>Increase monitoring of tariffs and financial filings. Thorough review of applications to insure only qualified carriers obtain authority and place more emphasis on field work.</p> <p>Provide stricter enforcement of present regulations and tariff provisions. Increase percentage of compliance of information submitted by carriers. Submission of statistical information to data processing to be compiled into usable reports or establish internal procedures to be sure current statistical and financial information is available.</p> <p>Revise regulations to reflect practices utilized in the industry compatible with changing conditions.</p>

AGENCY Dept. of Commerce & Ec Dev.

PROGRAM Consumer Protection

BRU Alaska Transportation Commission

FY 82

1A BRU OBJECTIVES

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REVISED DATE _____

00572

The Alaska Transportation Commission has an obligation imposed by statute to regulate transportation in the State of Alaska for the protection of both the providers and users of the service.

The Commission was extended to June 30, 1983 by Chapter 115 SLA 1980 after consideration of the Legislative Audit Committee Review conducted in 1978 under the sunset laws. This legislation also amended certain parts of the statutes administered by the Commission and removed licensing and rate functions over ferries, bus transportation companies and tow trucks having a gross vehicle weight as established by the manufacturer under 14,000 pounds. These companies are still required to file proof of insurance with the Commission. Similar legislation exempts from regulation by the Commission motor vehicles while transporting ranch, dairy and farm products. These exemptions are not expected to reduce the Commission's workload appreciably in that they affect only a few carriers wholly providing such transportation.

The Commission will continue to regulate approximately 650 carriers. At the present time, as in the past, it is attempting to provide the shippers and receivers of freight in the State with a stabilized service and rate structure and to foster sound economic conditions among the carriers which will ensure adequate transportation to the shipping public.

The Commission retains a licensing function for motor freight and air transportation companies. Those wishing to enter the industry must apply for authority and satisfy the Commission that they are fit, willing and able to perform the proposed services and that the services are not contrary to the public interest. The Commission also retains its rate regulatory powers over these carriers.

There appears to be much misinformation being passed among members of the public concerning the Commission's status and functions. Also, the State of Alaska is experiencing an influx of people into the transportation industry. The buyers and sellers of transportation and the general public need to be informed of their rights and responsibilities. The Commission intends to increase distribution of general interest information so that people become aware of the Alaska Transportation Commission and that, through its regulation, everyone can be assured of equal and just treatment.

The Commission's regulatory mission is further complicated by the federal preemption over some air carriers certificated by the federal Civil Aeronautics Board and the scheduled elimination of the C.A.B. effective January 1, 1985. Since its certification powers are not transferred to

AGENCY Dept. of Commerce & Ec Dev.

PROGRAM Consumer Protection

BRU Alaska Transportation Commission

FY 82

2 ANALYTIC STATEMENT

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REVISED
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00573

another agency, the status of the carriers preempted from regulation by the Commission at this time is unclear requiring the Commission to participate in most, and monitor the remaining C.A.B. proceedings involving intra Alaska rights.

The Commission interprets the legislative intent of Chapter 115 SLA 1980 to be ease of access in the air transportation field to qualified applicants operating small aircraft. This will cause a greater number of applications to be submitted. Further, it appears to be the intent of the legislature, in its audit and legislation, that this Commission provide more indepth research and analysis in all areas such as rate investigations, special tariff authorities, grants of operating authority, transfer of operating authority, and extensions of operating authority in all modes.

The mandate to handle applications for authority within a prescribed time period restricts the Commission in the allocation of its staff. Specifically, if the Commission fails to deny authority to engage in air commerce within 60 days of the completion of a hearing, or within 120 days from the receipt of a completed application, whichever is later, the application is automatically considered approved. In this circumstance, failure to act may result in unqualified carriers gaining authority thereby creating financial instability in our limited market and poor service to the public. As an alternative, the application must be set for hearing creating an additional burden of expense and time on the applicants and the Commission.

In 1978, the Legislative Audit Committee reviewing the Commission under Sunset Legislation, found that the Commission should have at least two additional positions. In 1980, although the legislature slightly reduced the workload of the Commission somewhat through deregulation in Chapter 115 SLA 1980, it added substantial specific fitness qualifications on applicants seeking to obtain operating authority and mandated continued economic regulation at previous levels. Yet, the Commission was not provided with necessary additional funding in order to provide the service as directed.

The Commission believes it is utilizing its present staff in the most efficient manner available. However, it is unable to adapt and follow procedures necessary to minimize the possibility of the Commission's decisions being overturned in court. However, the Commission will continue to evaluate the situation to assure that, to the best of its ability, Alaskan consumers are provided with a freedom of choice for transportation services that comply with acceptable standards of disclosure, quality, dependability and safety at equitable prices.

AGENCY Dept. of Commerce & Ec Dev.

PROGRAM Consumer Protection

BRU Alaska Transportation Commission

FY 82

2 ANALYTIC STATEMENT

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REVISED
DATE _____

00574

BRU FUNCT. NO.	MEASURE/PERFORMANCE INDICATOR	PRIOR YEAR (FY 80)		CURRENT YEAR PLAN 81	BUDGET YEAR FY 82		
		PLAN	ACTUAL		CONTINUATION LEVEL	AGENCY REQUEST	GOVERNOR'S BUDGET
		3	4				
1.	Number of times general interest information item distributed.	---	12,000	15,000	18,000	18,000	
2.	% of tariffs, financial filings and applications analyzed:						
	Tariffs	---	10%	15%	15%	15%	
	Financial	---	15%	10%	10%	10%	
	Applications	---	5%	25%	25%	25%	
3.	% of carriers in compliance with filing requirements:						
	Financial	80%	65%	80%	80%	80%	
	Statistical	80%	73%	80%	80%	80%	
	Tariffs	---	90%	95%	95%	95%	
4.	Number of regulations adopted establishing uniform application of practices utilized in industry.	10	6	10	10	10	

AGENCY Commerce & Ec Dev

PROGRAM Consumer Protection

BRU Alaska Transportation Commission

FY 82

3 BRU ACTIVITY PLAN

00575

Page 1 of 1

REVISED
DATE _____

STATE OF ALASKA -- BUDGET UNIT SUMMARY

15:43

1/10/81

CATEGORY: PUBLIC PROTECTION
 AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

PROGRAM: AK. TRANS. COMM.

COMPONENT DESCRIPTION	80 AUTH	80 FINAL	80 ACT	81 AUTH	81 SUPL	81 RP	82 CONT.	REQUEST	GOVERNOR	HOUSE	SENAT
AK. TRANS. COMM.	1305.0	1423.1	1329.7	1415.9			1591.2	1591.2	1557.9		
** TOTAL	1305.0	1423.1	1329.7	1415.9			1591.2	1591.2	1557.9		
** CHANGE VERSUS 81 AUTH							12.3%	12.3%	10.0%	-100.0%	-100.0%
OBJECT DESCRIPTION											
PERS. SERV.	1057.7	1166.6	1099.6	1158.0			1310.7	1310.7	1310.7		
TRAVEL	47.7	53.0	46.2	49.0			55.3	55.3	55.3		
CONTRACTUAL	181.3	184.3	168.1	188.9			204.5	204.5	176.2		
COMMODITIES	14.3	11.7	8.3	14.5			15.7	15.7	15.7		
EQUIPMENT		3.5	3.5	.5							
LANDS/BLDGS	4.0	4.0	4.0	5.0			5.0	5.0			
FUNDING SOURCE											
GENERAL FUND	1305.0	1399.7	1329.7	1415.9			1591.2	1591.2	1557.9		
OTHER FUNDS		23.4									
** GENERAL FUND CHANGE VS. 81 AUTH							12.3%	12.3%	10.0%	-100.0%	-100.0%
POSITIONS											
FULL-TIME	30.0	30.0	30.0	30.0			30.0	30.0	30.0		
STAFF MONTHS	360.0	360.0	360.0	360.0			360.0	360.0	360.0		

00576

1/10/81

CATEGORY: PUBLIC PROTECTION PROGRAM: AK. TRANS. COMM.
AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT SUB-PROGRAM: AK. TRANS. COMM.

***** GOVERNOR ANALYSIS *****

OBJECT GROUP	VARIATION		DESCRIPTION: GOVERNOR VERSUS 81 AUTH
01 PERS. SERV.	152.7	13.2%	SALARY INCREASE 152.7
02 TRAVEL	6.3	12.9%	INFLATION 6.3
03 CONTRACTUAL	-12.7	-6.7%	INFLATION 25.6: CONSOLIDATION OF LEASE PAYMENTS INTO DEPARTMENT OF ADMIN. <28.3>
04 COMMODITIES	1.2	8.3%	INFLATION 1.2
05 EQUIPMENT	-0.5	-100.0%	LESS ONE-TIME ITEM <.5>;
06 LANDS/BLDGS	-5.0	-100.0%	CONSOLIDATION OF ASHA PAYMENTS INTO THE DEPT. OF ADMIN. <5.0>
** TOTAL	142.0	10.0%	

00577

CATEGORY: PUBLIC PROTECTION

PROGRAM: AK. TRANS. COMM.

AGENCY: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

SUB-PROGRAM: AK. TRANS. COMM.

EXPENDITURES & FUNDING	(01) 80 AUTH	(02) 80 FINAL	(03) 80 ACT	(04) 81 AUTH	(05) 81 SUPL	(06) 81 RP	(07) 82 CONT.	(08) 82 ADD.	(09) REQUEST	(10) GOVERNOR	(11) HOUSE	(12) SENATE	(13) LEG. REC
01 PERS. SERV.	1057.7	1166.6	1099.6	1158.0			1310.7		1310.7	1310.7			
02 TRAVEL	47.7	53.0	46.2	49.0			55.3		55.3	55.3			
03 CONTRACTUAL	181.3	184.3	168.1	188.9			204.5		204.5	176.2			
04 COMMODITIES	14.3	11.7	8.3	14.5			15.7		15.7	15.7			
05 EQUIPMENT		3.5	3.5	.5									
06 LANDS/BLDGS	4.0	4.0	4.0	5.0			5.0		5.0				
07 GRANTS, CLMS													
08 MISC.													
09 TOTAL EXPEND	1305.0	1423.1	1329.7	1415.9			1591.2		1591.2	1557.9			
10 I-A TRANSFER	88.1		80.6	83.6			96.2		96.2	96.2			
11 FED. RECEIPT													
12 G. F. MATCH													
13 GENERAL FUND	1305.0	1399.7	1329.7	1415.9			1591.2		1591.2	1557.9			
14 PGM RECEIPTS													
15 OTHER FUNDS		23.4											
16 FULL-TIME	30.0	30.0	30.0	30.0			30.0		30.0	30.0			
17 PART-TIME													
18 TEMPORARY													
19 STAFF MONTHS	360.0	360.0	360.0	360.0			360.0		360.0	360.0			

00578

1.	Item and Explanation	2. Amount	3. Funding Sources	4. 100 Personnel Services	6. 200 Travel	6. 300 Contractual Services	7. 400 Commodities	8. 500 Equipment	9. Other
1.	FY81 Authorized (Form 4A)	1415.9	GF	1158.0	49.0	188.9	14.5	.5	5.0
2.	Less One-Time Items (Include All Equipment)	(.5)		()	()	()	()	(.5)	()
3.	Plus FY82 Replacement Equipment (Form 17, Line 1, Column 5)								
4.	Personal Services Adjustment (Form 11, Line 23)	152.7		152.7					
5.	Sub-Total	1568.1		1310.7	49.0	188.9	14.5	-0-	5.0
6.	Plus Inflation Adjustment	23.1			6.3	15.6	1.2		
7.	Sub-Total	1591.2		1310.7	55.3	204.5	15.7	-0-	5.0
8.	Adjustments to and within Continuation (Form 5A's)								
9.	FY82 Continuation	1591.2		1310.7	55.3	204.5	15.7	-0-	5.0

AGENCY Dept. of Commerce & Ec Dev. PROGRAM Consumer Protection

FY 82

5 COMPONENT CONTINUATION

BRU Alaska Transportation Comm.

COMPONENT Same

Revised Date

00579

CONTINUATION	FY 82	AGENCY					GOVERNOR				
		\$	PFT POS.	PFT/SEAS POS.	OTHER POS.	STAFF MO.	\$	PFT POS.	PFT/SEAS POS.	OTHER POS.	STAFF MO.
		1	2	3	4	5	6	7	8	9	10
1	CURRENT AUTHORIZED PERM. POSITIONS (FROM FORM 11, line 22)	1,310.7	30								
2	CONTINUATION CHANGES TO CURRENT AUTHORIZED POSITIONS (FORM 12)										
3	SUBTOTAL (FROM 4A, CONTINUATION COL.)	1,310.7	30								
4	SOURCE OF FUNDS:										
	FEDERAL RECEIPTS										
	GF MATCH										
	GEN. FUND	1,310.7									
	INTER-AGENCY RECEIPTS										
	PROGRAM RECEIPTS										
	OTHER										
	OTHER										
5	ADDITIONS TO CURRENT AUTHORIZED POSITIONS (FORM 12)										
6	TOTAL PERSONAL SVCS. REQUEST (FROM 4A)	1,310.7	30				1,310.7	30		360	
7	SOURCE OF FUNDS:										
	FEDERAL RECEIPTS										
	GF MATCH										
	GEN. FUND	1,310.7					1,310.7				
	INTER-AGENCY RECEIPTS										
	PROGRAM RECEIPTS										
	OTHER										
	OTHER										

AGENCY Dept. of Commerce & Economic Dev PROGRAM Consumer Protection
 ORU Alaska Transportation Commission

FY82

10 PERSONAL SERVICES REQUEST SUMMARY

COMPONENT Same

REVISED DATE _____

00580

AUTHORIZED

VARIANT

PCH	OT	LOC	CLASS	STAT.	CLASS CODE	INCUMBENT OR VACANCY DATE	RANGE /STEP	CLASS LOC	MONTHLY SALARY	ANN. SALRY	YEAR TO DATE NO. LOST	DATE O/T	PRIOR YEAR NO. LOST	YR. TO DATE O/T	YR. TO DATE SHFT. DIF
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08 COMMERCE						PROG. 53 CONSUMER PROTECTION			DIV. 4 TRANSP POWER AUTH			BUDGET STRUC. 04-01-00 TRANSPORTATION-OPR			
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7001	X004	EDA			COMMISSIONER			KUDLEY	4,540	54,480	0.0		0.0		
7002	X004	EDA			COMMISSIONER			MILLER	4,540	54,480	0.0		0.0		
7003	X004	EDA			COMMISSIONER			JOHNSON	4,540	54,480	0.0		0.0		
7004	H 2332	EDA	PR		TARIFF SPECIALIST ATC			STURGEON	3,260	39,120	0.0		1.5		
7005	H 2332	LDA	PR		TARIFF SPECIALIST ATC			FRITCHARD	3,260	39,120	0.3		0.0		
7006	H 2332	EDA			TARIFF SPECIALIST ATC			05/13/80	3,260	39,120	1.9		0.0		
7007	H 2462	EDA	PE		TRANSPORT FIELD AGENT I			STEWART	2,736	32,832	0.0		0.0		
7008	H 2465	EDA	PE		TRANSPORT FIELD AGENT IV			OVERSTREET	3,441	41,292	0.0		0.0		
7009	H 2462	EDA			TRANSPORT FIELD AGENT I			08/11/80	2,291	27,492	0.5		6.5		
7010	Y 1210	EDA	PE		ACCOUNTING TECHNICIAN I			KRAUSE	2,135	25,620	0.0	73	0.0	155	
7011	N 1181	EDA	PE		ADMINISTRATIVE SPT CH SPV			WELCH	2,181	26,172	0.0		0.0		
7012	Y 1188	EDA	PE		ADMINISTRATIVE SP TEC IV			HOMME	2,063	24,756	0.0	93	0.0	172	
7013	Y 1186	EDA	PE		ADMINISTRATIVE SP TEC II			LACEY	1,726	20,712	0.0	235	0.0	328	
7014	Y 1188	EDA	PE		ADMINISTRATIVE SP TEC IV			AVERY	1,928	23,136	0.0	214	0.0	375	
7015	Y 1188	EDA	PE		ADMINISTRATIVE SP TEC IV			MORGAN	1,870	22,440	0.0		0.0	144	
7016	Y 1184	EDA	PE		CORRESPONDENCE SEC III			WHITE	1,814	21,768	0.0	288	0.0	73	
7017	Y 1186	EDA	PE		ADMINISTRATIVE SP TEC II			BURGOS-A	1,726	20,712	0.0	184	0.0	151	
7018	H 2464	JBA	PR		TRANSPORT FIELD AGENT III			HUTTALL	3,685	44,220	0.0		0.0		
7019	Y 1185	EDA	PR		ADMINISTRATIVE SP TEC I			NEELY	1,284	15,408	0.0	26	3.9	5	
7020	Y 1184	EDA	PR		CORRESPONDENCE SEC III			VANCE	1,814	21,768	0.0	112	1.1	81	
7021	Y 1188	EDA	PE		ADMINISTRATIVE SP TEC IV			CUFFEL	2,063	24,756	0.0	179	0.0	81	
7022	H 2338	LDA	PX		CHF HEARING EXAMINER			DRECKBERG	4,321	51,852	1.1		0.0		
7023	H 2463	AWA	PE		TRANSPORT FIELD AGENT II			COSTELLO	2,640	31,680	0.0		0.0		
7024	H 2358	EDA	PX		EXEC DIR ATC			SEARCY	4,483	53,796	0.0		0.0		
7025	Y 1188	EDA	PE		ADMINISTRATIVE SP TEC IV			EVANS	1,870	22,440	0.0	335	0.0	236	
7026	H 2380	EDA	PX		HEARING EXAMINER			BEDSWORTH	4,819	57,828	0.0		0.0		
7027	H 2332	EDA	PR		TARIFF SPECIALIST ATC			PARKER	3,260	39,120	0.0		4.0		
7028	H 2462	JBA			TRANSPORT FIELD AGENT I			07/10/79	2,640	31,680	1.9		0.0		
7029	H 2462	JBA	PE		TRANSPORT FIELD AGENT I			HALL	2,837	34,044	0.0		0.0		
7030	H 2462	EDA	PR		TRANSPORT FIELD AGENT I			FIRM	2,291	27,492	0.0		7.0		

SUBL	TOT	PCH	CT	0030	YTD VAC. SVNGS	18,086	PRYR. SVNGS/PCT	55,861	5.45	1,023,816	1,742	1,806	001
LEAF	TOT	PCH	CT	0030	YTD VAC. SVNGS	18,086	PRYR. SVNGS/PCT	55,861	5.45	1,023,816	1,742	1,806	001
SUBP	TOT	PCH	CT	0030	YTD VAC. SVNGS	18,086	PRYR. SVNGS/PCT	55,861	5.45	1,023,816	1,742	1,806	001

00581

AUTHORIZED

VARIANT

AUTHORIZED				VARIANT							
PCH	OT	LOC	CLASS STAT. CLASS CODE	INCUMBENT OR VACANCY DATE	RANGE /STEP	CLASS LOC	MONTHLY SALARY	ANN. SALRY	YEAR TO DATE NO.LOST O/T	PRIOR YEAR NO.LOST O/T	YR.10 DA SIIFT.DI
08 COMMERCE											
PROG.53 CONSUMER PROTECTION											
DIV.4 TRANSP PONER AUTH											
BUDGET STRUC.04-01-00 TRANSPORTATION-OPR											
7001	X004	EDA	COMMISSIONER	KUDLEY			4,540	54,480	0.0	0.0	
7002	X004	EDA	COMMISSIONER	MILLER			4,540	54,480	0.0	0.0	
7003	X004	EDA	COMMISSIONER	JOHNSON			4,540	54,480	0.0	0.0	
7004	H 2332	EDA PR	TARIFF SPECIALIST ATC	STURGEON	21-A		3,157	37,884	0.0	1.5	
7005	H 2332	EDA PR	TARIFF SPECIALIST ATC	PRITCHARD	21-A		3,157	37,884	0.3	0.0	
7006	H 2332	EDA	TARIFF SPECIALIST ATC	05/13/80	21-A		3,157	37,884	1.9	0.0	
7007	H 2462	EDA PE	TRANSPORT FIELD AGENT I	STEWART	16-F		2,646	31,752	0.0	0.0	
7008	H 2465	EDA PE	TRANSPORT FIELD AGENT IV	OVERSTREET	20-D		3,335	40,020	0.0	0.0	
7009	H 2462	EDA	TRANSPORT FIELD AGENT I	08/11/80	16-A		2,211	26,532	0.5	6.5	
7010	Y 1210	EDA PE	ACCOUNTING TECHNICIAN I	KRAUSE	12-J		2,060	24,720	0.0	73	155
7011	H 1181	EDA PE	ADMINISTRATIVE SPT CH SPV	WELCH	14-C		2,106	25,272	0.0	0.0	
7012	Y 1188	EDA PE	ADMINISTRATIVE SP TEC IV	HOMME	12-F		1,989	23,868	0.0	93	172
7013	Y 1186	EDA PE	ADMINISTRATIVE SP TEC II	LACEY	08-K		1,660	19,920	0.0	235	328
7014	Y 1188	EDA PE	ADMINISTRATIVE SP TEC IV	AVERY	12-D		1,858	22,296	0.0	214	375
7015	Y 1188	EDA PE	ADMINISTRATIVE SP TEC IV	MORGAN	12-C		1,800	21,600	0.0	0.0	144
7016	Y 1184	EDA PE	CORRESPONDENCE SEC III	WHITE	10-B	1183	1,746	20,952	0.0	288	73
7017	Y 1186	EDA PE	ADMINISTRATIVE SP TEC II	BURGOS-A	08-K		1,660	19,920	0.0	184	151
7018	H 2464	JBA PR	TRANSPORT FIELD AGENT III	HUTTALL	18-F		3,574	42,888	0.0	0.0	
7019	Y 1185	EDA PR	ADMINISTRATIVE SP TEC I	NEELY	06-B		1,228	14,736	0.0	26	5
7020	Y 1184	EDA PR	CORRESPONDENCE SEC III	VANCE	10-B	1183	1,746	20,952	0.0	112	81
7021	Y 1188	EDA PE	ADMINISTRATIVE SP TEC IV	CUFFEL	12-F		1,989	23,868	0.0	179	81
7022	H 2338	EDA PX	CHF HEARING EXAMINER	BRECKBERG	25-A		4,194	50,328	1.1	0.0	
7023	H 2465	AWA PE	TRANSPORT FIELD AGENT II	COSTELLO	17-C		2,553	30,636	0.0	0.0	
7024	H 2358	LBA PX	EXEC DIR ATC	SEARCY	24-D		4,352	52,224	0.0	0.0	
7025	Y 1188	EDA PE	ADMINISTRATIVE SP TEC IV	EVANS	12-C		1,800	21,600	0.0	335	236
7026	H 2350	EDA PX	HEARING EXAMINER	BEDSNORTH	24-F		4,680	56,160	0.0	0.0	
7027	H 2332	EDA PR	TARIFF SPECIALIST ATC	PARKER	21-A		3,157	37,884	0.0	4.0	
7028	H 2462	JBA	TRANSPORT FIELD AGENT I	07/10/79	16-A		2,553	30,636	1.9	0.0	
7029	H 2462	JBA PE	TRANSPORT FIELD AGENT I	HALI	16-C		2,744	32,928	0.0	0.0	
7030	H 2462	EDA PR	TRANSPORT FIELD AGENT I	FIRM	16-A		2,211	26,532	0.0	7.0	
SUBL	101	PCH CT	0030 YTD VAC. SVHGS	17,515	PRYR. SVHGS/PCT	53,921	5.41	995,316	1,742	1,806	01
ELEM	101	PCH CT	0030 YTD VAC. SVHGS	17,515	PRYR. SVHGS/PCT	53,921	5.41	995,316	1,742	1,806	01
SUBP	101	PCH CT	0030 YTD VAC. SVHGS	17,515	PRYR. SVHGS/PCT	53,921	5.41	995,316	1,742	1,806	01

0582

		FY 81			FY 82								
		2. POS.	3. MO.	4. \$	6. POS.	6. MO.	7. \$						
AUTHORIZED PERMANENT POSITIONS	SALARIES	1. 1. Full Time (From APBR or Form 11A)						30	360	995,316	30	360	1,023,816
		2. Part Time/Seasonal (From Form 11B)											
		3. Overtime (From Form 11C)							4.3	11,169		4.3	11,725
		4. Shift Differential (From Form 11D)											
		5. Additional Salary Costs (From Form 11E)											
		6. Subtotal - Permanent Positions & Gross Salary Costs (Sum of Lines 1 thru 5)								1,006,485			1,035,541
	BENEFITS	7. Enter SUP Costs (Calculate in Box A)								54,600			60,120
		8. Standard Benefits FY 81 (Gross Salary Cost, Col. 4, Line 6 X FY 81 Rate, Box B)								168,184			
		9. Standard Benefits FY 82 (Gross Salary Cost, Col. 7, Line 6 X FY 82 Rate, Box B)											161,027
		10. Enter Adjustment for TRS Employees If Applicable (Box C)								()			()
		11. Enter Monthly Fixed Costs (Calculate in Box D)								46,800			54,000
		12. Police Retirement Adjustment: Affected Salaries x .0966											
13. Subtotal - Authorized Permanent Positions, Salaries & Benefits (Sum of Lines 6 thru 11)				1,276,069			1,310,688						
14. Non Permanent Positions, Salaries & Benefits (Form 11F)													
15. Total Permanent Positions, Salaries & Benefits (Sum of Lines 12 thru 14)				1,276,069			1,310,688						

UNDERFUNDING ADJUSTMENT	16. FY 81 FCC Authorized (From Form 4A)	1,158,000	
	17. FY 81 Salary Increase Distribution	191,500	
	18. FY 81 Total Adjusted Funding (Line 16 + Line 17)	1,349,500	
	19. FY 81 Amount Underfunding (Line 15 - Line 18)		
	20. FY 81 + FY 82 Percent Underfunding (Line 19 ÷ Line 18)	-0-	→ (-0-)
	21. FY 82 Amount Underfunding (Line 20 X Line 15, Col. 7)		
	22. FY 82 Continuation Request (Line 15 - Line 21)		1,310,688
23. Continuation Adjustment (Line 22 - Line 16)		152,688	

BOX A SUPPLEMENTAL BENEFITS (SUP)	
FY 81	
Positions	Amount
1. 30	1,006,485
2. X \$1120	X .0613
3. \$ 54,600	\$ 61,697
4. Enter lower of two Amounts from line 3	54,600
FY 82	
Positions	Amount
1. 30	1,035,541
2. X \$2004	X .0613
3. \$ 60,120	\$ 63,479
4. Enter lower of two Amounts from line 3	60,120

BOX B	VARIABLE BENEFITS %		
		FY 81	FY 82
Base Rate	1. .1536	.1469	
Agency Variable	2. .0135	.0080	
Total Rate	3. .1671	.1555	

BOX C	BENEFITS ADJUSTED FOR TRS EMPL.		
	1. TRS Salaries	2. Rate	3. Adjustment
FY 81	\$.0679	
FY 82	\$.0482	

BOX D	MONTHLY BEN.		LTC	OTHER	TOTAL
	FY 81	FY 82			
	Months			360	
	\$ Factor	X \$164	X \$130		
	Total			16,800	
	Months			360	
	\$ Factor	X \$170	X \$150		
	Total			54,000	

AGENCY Dept. of Commerce & Ec Dev.

PROGRAM Consumer Protection

ORU Alaska Transportation Comm.

COMPONENT Same

Revised Date

FY 82

00583

**CURRENT AUTHORIZED
11 POSITION SUMMARY**

	PCN	CLASSIFICATION TITLE	PAY RANGE	CURRENT YEAR - FY 81				BUDGET YEAR - FY 82			
				MONTHS EQUIV.	HOURLY RATE	YEARLY HOURS	ANNUAL AMOUNT	MONTHS EQUIV.	OVERTIME HOURLY RATE	NO. OF YEARLY HOURS	ANNUAL AMOUNT
	1	2	3	4	5	6	7	8	9	10	11
1.	7010	Accounting Technician I	12J	.3	19.02	50	951.00	.3	19.71	50	985.50
2.	7012	Admin. Support Tech IV	12F	.5	18.36	80	1468.00	.5	19.05	80	1524.00
3.	7013	" " " II	8K	.3	15.33	50	766.50	.3	15.93	50	796.50
4.	7014	" " " IV	12D	.3	17.14	50	857.00	.3	17.80	50	890.00
5.	7015	" " " IV	12C	.3	16.62	50	831.00	.3	18.18	50	909.00
6.	7016	Correspondence Sec. II	10B	.5	14.13	80	1144.80	.5	14.89	80	1191.20
7.	7017	Admin. Support Tech II	8K	.5	15.33	80	1226.40	.5	15.93	80	1274.40
8.	7019	" " " I	6B	.3	11.34	50	567.00	.3	11.85	50	592.50
9.	7020	Correspondence Sec. II	10A	.5	13.86	80	1108.80	.5	14.44	80	1155.20
10.	7021	Admin. Support Tech IV	12F	.3	18.36	50	918.00	.3	19.05	50	952.50
11.	7025	" " " IV	12C	.5	16.62	80	1329.60	.5	18.18	80	1454.40
12.											
13.											
14.											
15.				4.3		700	11168.90	4.3		700	11725.20
16.											
17.											
18.											
19.											
20.											
21.											
22.											
23.											
24.											
25.											
26.											
27.											
28.											
29.											
30.											

AGENCY Dept. of Commerce & Ec Dev.

PROGRAM Consumer Protection

DRU Alaska Transportation Commission

COMPONENT Same

11C OVERTIME RECAP

FY82

00584

CODE	TRAVEL AND MOVING CLASSIFICATION	PRIOR YEAR FY 80 ACTUAL	CURRENT YEAR FY 81 AUTHORIZED	BUDGET YEAR - 82			GOVERNOR'S BUDGET
				AGENCY			
				CONTINUATION	ADDITION	REQUEST	
1	2	3	4	5	6	7	8
1. 200	TOTAL TRAVEL AND MOVING	46.2	49.0	55.3		55.3	55.3
2. 210/220	FIELD/ADMINISTRATIVE TRAVEL						
3.	IN-STATE TRANSPORTATION	22.2	21.5	24.5		24.5	✓
4.	IN-STATE PER DIEM	13.1	18.0	18.6		18.6	✓
5.	OUT-OF-STATE TRANSPORTATION						
6.	OUT-OF-STATE PER DIEM						
7. 230	CONVENTIONS AND MEETINGS	10.9	9.5	12.2		12.2	✓
8. 240	BOARDS, COMMISSIONS & LEGISLATORS						
9. 280	MOVING OR RELOCATION EXPENSE						
10. 290	NON-EMPLOYEE TRAVEL						
11.							
12. 070	INTER-AGENCY TRANSFERS (NON-ADD)						

13.	EXPLANATION:	CONT. \$	ADDITION \$	FOR B&M USE
	<p><u>FIELD/ADMINISTRATIVE TRAVEL - IN-STATE</u></p> <p>Travel throughout the State by field agents, tariff specialists, hearing examiners, recording secretaries, Commissioners and other staff members to attend meetings with carrier and shipper groups, conduct surveys and investigations and conduct hearings; also includes training programs, conferences and travel to Juneau in regard to budget, personnel, legislative and other administrative meetings.</p> <p style="text-align: right;">Transportation 24.5 Per Diem 18.6</p>	43.1		

AGENCY Dept. of Commerce & Ec Dev PROGRAM Consumer Protection

BRU Alaska Transportation Commission

14 TRAVEL AND MOVING

COMPONENT Same

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REVISED DATE _____

FY 82

00585

CONVENTIONS AND MEETINGS - OUT-OF-STATE

The Commissioners are members of various committees of the National Association of Regulatory Utilities Commissioners and their attendance at these meetings is important since interstate and foreign commerce is so heavily involved in Alaska. The NARUC also sponsors several seminars and training programs that provide valuable training concerning transportation law. Commissioners and/or staff members are also required to attend seminars, conferences and planning work sessions with the I.C.C., C.A.B. and F.M.C. and field agents are required to attend various seminars on safety. The Alaska Transportation Commission is an assigned member of the I.C.C. joint board and Commissioners, hearings examiners and other staff members are required to sit on I.C.C. joint board hearings.

Transportation	7.0	
Per Diem	<u>5.2</u>	
		12.2

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BRU Alaska Transportation Commission

Same

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DATE

23 14 CONTINUED

FY82
00586

CODE	CONTRACTUAL SERVICES CLASSIFICATION	PRIOR YEAR FY 80 ACTUAL	CURRENT YEAR FY 81 AUTHORIZED	BUDGET YEAR - 82			GOVERNOR'S BUDGET
				AGENCY			
				CONTINUATION	ADDITION	REQUEST	
1	2	3	4	5	6	7	8
1.	300 TOTAL CONTRACTUAL	168.1	188.9	204.5		204.5	176.2
2.	310 COMMUNICATIONS	26.0	30.0	32.5		32.5	✓
3.	320 PRINTING AND ADVERTISING	16.9	18.6	20.0		20.0	✓
4.	330 SPACE EXPENSE AND FEES	28.2	28.3	28.3		28.3	✓
5.	340 REPAIR AND MAINTENANCE	4.6	4.6	6.0		6.0	✓
6.	350 UTILITIES OTHER THAN SPACE						
7.	360 EQUIPMENT RENTAL - OTHER THAN I WCF AND WP	10.2	10.7	11.1		11.1	✓
8.	364 EQUIPMENT RENTAL - WORD PROCESSING	12.0	12.6	17.0		17.0	✓
9.	368 EQUIPMENT RENTAL - HIGHWAY WORKING CAPITAL FUND	22.4	28.2	34.1		34.1	✓
10.	370 JUDICIAL EXPENSE						
11.	380 PROFESSIONAL FEES AND SERVICES - EXCLUDING DATA PROC.	33.6	38.5	41.5		41.5	✓
12.	382 PROFESSIONAL FEES AND SERVICES - DATA PROCESSING			1.6		1.6	✓
13.	422 DATA PROCESSING CHARGEBACK	10.6	13.4	7.8		7.8	✓
14.	390 OTHER FEES OR EXPENSE	3.6	4.0	4.6		4.6	✓
15.	950 INTER-AGENCY TRANSFERS (NON-ADD)	76.9	83.6	91.2		91.2	✓

16	EXPLANATION	CONT. \$	ADDITION \$	FOR B&M USE
	310: Telephone and postage	32.5		
	320: Printing and Advertising (forms, regulations, etc.)	20.0		
	330: Rents and Utilities			
	Anchorage Office-MacKay Building-including janitorial service and all other utilities except telephone		24.8	
	Juneau Office including utilities except telephone		2.3	
	Janitorial service for Juneau office (\$100/month)		1.2	
		28.3		

AGENCY Dept. of Commerce & Ec Dev.

PROGRAM Consumer Protection

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COMPONENT Same

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REVISED

15 CONTRACTUAL SERVICES

FY 82

00597

340:	Repairs and services on office equipment, including maintenance contracts		6.0
360:	Equipment Rental-other than HWCP and Word Processing		
	IBM Copier III w/20 bin collator - \$900 per month	10.8	
	Postage Meter (Pitney Bowes) \$78/3 months x 4	<u>.3</u>	11.1
364:	Equipment Rental-Word Processing		
	Wang Word Processing System - OIS 140, incl. 2 terminals, 1 printer, auto paper feeder, basic compiler	13.5	
	Mic Input System (IBM) \$290/month	<u>3.5</u>	17.0
368:	Equipment Rental - HWCF		
	7 sedans (6 each Class 108D, 1 each Class 105D) \$1350/month	16.2	
	Average 800 miles/month per vehicle at .26/mile	<u>17.9</u>	34.1
380:	Professional Fees and Services-except Data Processing		
	Services of full-time attorney for legal services through arrangement with Attorney General's Office	36.1	
	Court reporters required to make certified transcripts of Commission hearings when necessary	<u>5.4</u>	41.5
382:	Professional Fees and Services-Data Processing		
	Negotiated contract with programmer-estimate 40 hours at \$40/hour		1.6

AGENCY Dept. of Commerce & Ec Dev.

PROGRAM Consumer Protection

BRU Alaska Transportation Commission

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COMPONENT Same
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FY82

00598

390: Other Fees and Services

Fire Insurance for Fairbanks Office	.6	
Travel Accident Insurance	.2	
Self-insurance & Overhead	1.0	
Transportation of things mainly between offices Anchorage, Juneau, Fairbanks	1.0	
Conference registration fees and membership dues in National organizations	<u>1.8</u>	4.6

Inter-Agency Transfers

320 Central Duplicating	10.0	382a Data Processing	7.8
368 DOT-HWCF	34.1	390 Ins. & Bonding	1.8
380 Dept. of Law	36.1	319 DOT-Fbx Pabx	1.4

AGENCY Dept. of Commerce & Economic Dev PROGRAM Consumer Protection

BRU Alaska Transportation Commission

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COMPONENT Same
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DATE

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00589

System Code DPR	System Name Alaska Transportation Commission		
User Agency Contact Donald F. Searcy	Phone 276-1177	Signature <i>Donald F. Searcy</i>	
Division of Data Processing Contact Carl Krefling	Phone 264-5701	Signature <i>Carl Krefling</i>	

DP Budget Group	FY 80		FY 81		FY 82 Continuation			FY 82 Addition		
	Units	Cost	Units	Cost	Units	Unit Price	Cost	Units	Unit Price	Cost
1. Processing	2,228				2,800	1.10	3080.			
2. Output	18				24	27.00	648.			
3. Terminal Rental and Online Charges										
4. Storage	37				38	12.00	456.			
6. Data Entry	24,066				30,200	.12	3624.			
8. Other										
TOTALS							7808.			

NOTES:

RECEIVED
DEC 16 1980
OFFICE AND INVOICE UNIT

AGENCY Dept. of Commerce & Ec Dev.

PROGRAM Consumer Protection

ORU(S) Alaska Transportation Comm.

COMPONENT(S) Same

Page 1 of 1
Revised Date

FY 82

00591

15DP
DATA PROCESSING
CHARGEDACK
SYSTEM BUDGET

WORKSHEET FOR SYSTEM DTR

00592

TAPE
(TAPE MONTHS)

	JULY	AUG	SEPT	OCT	NOV	DEC
TAPE (TAPE MONTHS)	3	3	4	3	3	3
DISK (MEGABYTES)						
TERMINALS (DEDICATED)						

DISK
(MEGABYTES)

TERMINALS
(DEDICATED)

TAPE
(TAPE MONTHS)

	JAN	FEB	MAR	APR	MAY	JUNE
TAPE (TAPE MONTHS)	3	3	3	3	4	3
DISK (MEGABYTES)						
TERMINALS (DEDICATED)						

DISK
(MEGABYTES)

TERMINALS
(DEDICATED)

TOTAL
ESTIMATED
FY82
REQUIREMENTS

1. Estimate the requirements for each item by month, and enter the totals of the estimated monthly usage in the appropriate total area.
2. Make the appropriate calculations as outlined in the memorandum for tape and disk to arrive at storage units.
3. Enter the estimated number of storage units and terminal units in the appropriate places on form 15DP.
4. Return this form to the Data Center Manager when obtaining the Data Processing charge-back budget approvals.

TAPE

38

DISK

TERMINALS

ATTACHMENT A

CODE	EXPENDITURE CLASSIFICATION	PRIOR YEAR FY 80 ACTUAL	CURRENT YEAR FY 81 AUTHORIZED	BUDGET YEAR - '82			GOVERNOR'S BUDGET
				AGENCY			
				CONTINUATION	ADDITION	REQUEST	
1	2	3	4	5	6	7	8

1.	600	LAND, BUILDING, NON-STRUCTURAL IMPROVEMENTS	4.0	5.0	5.0		5.0	
2.	600	LAND, BUILDING, ETC. (EXCLUDING ASHA PAY)						
3.	628	ASHA PAYMENT	4.0	5.0	5.0		5.0	
4.	980	INTER-AGENCY TRANSFERS (NON-ADD)	4.0	5.0	5.0		5.0	

5.	700	ASSISTANCE GRANTS AND BENEFITS						
6.	720	LOCAL ASSISTANCE, STATE SOURCES						
7.	730	BENEFITS TO INDIVIDUALS						
8.	740	GRANTS AND AWARDS TO INDIVIDUALS						
9.	760	GRANTS, OTHER AGENCIES						
10.	970	INTER-AGENCY TRANSFERS (NON-ADD)						
11.	970	INTER-AGENCY TRANSFERS (NON-ADD)						

12.	800	MISCELLANEOUS						
13.	910	DEBT SERVICE						
14.								

15.	EXPLANATION:	CONTINUATION \$	ADDITION \$	FOR D&M USE
	628: ASHA payment for Fairbanks Office	5.0		

AGENCY Dept. of Commerce & Ec Dev

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DATE _____

18

LANDS, GRANTS AND
MISCELLANEOUS

FY 82
00534

CODE	AGENCY/DIVISION TO RECEIVE THE I/A TRANSFER	PRIOR YEAR FY 80 ACTUAL	CURRENT YEAR FY 81 AUTHORIZED	BUDGET YEAR - FY 82			
				AGENCY			GOVERNOR'S BUDGET
				CONTINUATION	ADDITION	REQUEST	
1	2	3	4	5	6	7	8
1.	TOTAL INTER-AGENCY TRANSFERS	80.6	88.4	96.2		96.2	96.2
2.	320 Dept. of Admin-Central Dup.	8.8	6.5	10.0		10.0	✓
3.	319 DOTPF-Fabx Pabx	1.2	.4	1.4		1.4	✓
4.	368 DOTPF-HWCF	22.4	29.2	34.1		34.1	✓
5.	380 Dept. of Law	33.2	33.5	36.1		36.1	✓
6.	382a Div. of Data Processing	10.6	13.4	7.8		7.8	✓
7.	390 Insurance & Bonding	.4	.4	1.8		1.8	✓
8.	628 ASHA	4.0	5.0	5.0		5.0	✓
9.							
10.							
11.							
12.							
13.							
14.							

15.	EXPLANATION:	CONT. \$	ADDITION \$	FOR B&M USE
	<u>DEPT. OF TRANSPORTATION</u> HWCF - rental of 7 automobiles Fbx Pabx	36.1 1.4		
	<u>DEPT. OF ADMINISTRATION</u> Central Duplication - printing forms, regulations, etc. Data Processing Insurance & Bonding; Fire, Travel Accident and Self insurance	10.0 7.8 1.8		
	<u>DEPT. OF LAW</u> One full-time attorney through Attorney General's Office ASHA payment for Fairbanks Office	36.1 5.0		

AGENCY Dept. of Commerce & Economic Dev.

PROGRAM Consumer Protection

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**20 INTER-AGENCY
TRANSFERS**

FY 82

0595

1	FUND 100	RECEIPT CODE 219	COLLOCATION CODE 08-53-4-006						
2	RECEIPT TITLE Mrtr Frt Car Weight (Application Fees)								
3	TYPE OF REVENUE		FY80 0 ACTUAL	FY81 AUTHORIZED	FY81 REVISED	FY82			FY83 ESTIMATE
4	UNRESTRICTED	X				CONTINUATION	ADDITION	REQUEST	
5	RESTRICTED-FEDERAL								
	PROGRAM RECEIPTS								
	INTERAGENCY RECEIPTS								
	1		2	3	4	5	6	7	8
6	FOR FY82 BUDGET WORKBOOKS BUDGET ESTIMATE								
7	FOR FY82 REVENUE SOURCE BOOK CASH RECEIPTS	27.1	50.0	ESTIMATE 30.0			ESTIMATE 30.0	30.0	
8	EXPLANATION OF THE ESTIMATE								
9	STATE MATCHING REQUIREMENTS								
10	STATE MAINTENANCE OF EFFORT REQUIREMENTS								
11	INDIRECT COST RATE CLAIMED <input type="checkbox"/> UNCLAIMED <input type="checkbox"/>								
12	ADDITIONAL DATA Application and clerical fees, I.C.C. registration fees; AS 42.10.150, AS 02.05.075								
13	NAME OF PERSON PREPARING ESTIMATE Keith H. Miller		PHONE 279-1451			DATE 10-15-80			

AGENCY Commerce & Ec Development

PROGRAM Consumer Protection

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22 REVENUE DETAIL

FY82

00596

1	FUND 100	RECEIPT CODE 223	COLLOCATION CODE 08-53-4-006						
2	RECEIPT TITLE Aircraft Registration Fees								
3	TYPE OF REVENUE		FY 82			FY 83			
4	UNRESTRICTED	X	FY 80	FY 81	FY 81		FY 83		
5	RESTRICTED-FEDERAL		0						
	PROGRAM RECEIPTS		ACTUAL	AUTHORIZED	REVISED	CONTINUATION	ADDITION	REQUEST	ESTIMATE
	INTERAGENCY RECEIPTS								
	1		2	3	4	5	6	7	8
6	FOR FY 82 BUDGET WORKBOOKS BUDGET ESTIMATE								
7	FOR FY 82 REVENUE SOURCE BOOK CASH RECEIPTS		68.9	85.0	70.0			70.0	70.0
8	EXPLANATION OF THE ESTIMATE								
9	STATE MATCHING REQUIREMENTS								
10	STATE MAINTENANCE OF EFFORT REQUIREMENTS								
11	INDIRECT COST RATE <input type="checkbox"/> CLAIMED <input type="checkbox"/> UNCLAIMED								
12	ADDITIONAL DATA Aircraft Registration Fees; AS 02.05.090								
13	NAME OF PERSON PREPARING ESTIMATE Keith H. Miller		PHONE 279-1451			DATE 10-15-80			

AGENCY Commerce & Ec Development

PROGRAM Consumer Protection

ORU Alaska Transportation Commission

COMPONE... Same

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22 REVENUE DETAIL

FY82

00597

1	FUND 100	RECEIPT CODE 402	COLLOCATION CODE 08-53-4-006						
2	RECEIPT TITLE Sale Pub Doc								
3	TYPE OF REVENUE		FY 82			FY 83			
4	UNRESTRICTED	X	FY 80	FY 81	FY 81		FY 83		
5	RESTRICTED-FEDERAL		0						
	PROGRAM RECEIPTS		ACTUAL	AUTHORIZED	REVISED	CONTINUATION	ADDITION	REQUEST	ESTIMATE
	INTERAGENCY RECEIPTS								
	1		2	3	4	5	6	7	8
6	FOR FY 82 BUDGET WORKBOOKS BUDGET ESTIMATE								
7	FOR FY 82 REVENUE SOURCE BOOK CASH RECEIPTS		10.8	15.0	ESTIMATE			ESTIMATE 15.0	15.0
8	EXPLANATION OF THE ESTIMATE								
9	STATE MATCHING REQUIREMENTS								
10	STATE MAINTENANCE OF EFFORT REQUIREMENTS								
11	INDIRECT COST RATE CLAIMED <input type="checkbox"/> UNCLAIMED <input type="checkbox"/>								
12	ADDITIONAL DATA Transcript costs, charges for copying documents, sale of carrier lists and regulations, subscriptions to MTC Journal (AS 42.07).								
13	NAME OF PERSON PREPARING ESTIMATE Keith H. Miller		PHONE 279-1451			DATE 10-15-80			

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22 REVENUE DETAIL

FY82

00598

1	FUND 100	RECEIPT CODE 616	COLLOCATION CODE 08-53-4-006						
2	RECEIPT TITLE Jury & Work Comp								
3	TYPE OF REVENUE		FY 80	FY 81	FY 81	FY 82		FY 83	
4	UNRESTRICTED	X	0 ACTUAL	AUTHORIZED	REVISED	CONTINUATION	ADDITION	REQUEST	ESTIMATE
5	RESTRICTED-FEDERAL								
	PROGRAM RECEIPTS								
	INTERAGENCY RECEIPTS								
	1		2	3	4	5	6	7	8
6	FOR FY 82 BUDGET WORKBOOKS BUDGET ESTIMATE								
7	FOR FY 82 REVENUE SOURCE BOOK CASH RECEIPTS		.1	.2	ESTIMATE			ESTIMATE .2	.2
8	EXPLANATION OF THE ESTIMATE								
9	STATE MATCHING REQUIREMENTS								
10	STATE MAINTENANCE OF EFFORT REQUIREMENTS								
11	INDIRECT COST RATE <input type="checkbox"/> CLAIMED <input type="checkbox"/> UNCLAIMED <input type="checkbox"/>								
12	ADDITIONAL DATA Jury Duty Recovery, Rule 9 Rules of Administration								
13	NAME OF PERSON PREPARING ESTIMATE Keith H. Miller			PHONE 279-1451			DATE 10-15-80		

AGENCY Commerce & Ec Development

PROGRAM Consumer Protection

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FY82

22 REVENUE DETAIL

00599

1	FUND 100	RECEIPT CODE 637	COLLOCATION CODE 08-53-4-006						
2	RECEIPT TITLE Misc. Rev (Civil Penalties)								
3	TYPE OF REVENUE		FY80 0 ACTUAL	FY81 AUTHORIZED	FY81 REVISED	FY82			FY83 ESTIMATE
4	UNRESTRICTED	X				CONTINUATION	ADDITION	REQUEST	
5	RESTRICTED-FEDERAL								
	PROGRAM RECEIPTS								
	INTERAGENCY RECEIPTS								
	1		2	3	4	5	6	7	8
6	FOR FY82 BUDGET WORKBOOKS BUDGET ESTIMATE								
7	FOR FY82 REVENUE SOURCE BOOK CASH RECEIPTS		11.0	20.0	ESTIMATE			ESTIMATE 25.0	25.0
8	EXPLANATION OF THE ESTIMATE								
9	STATE MATCHING REQUIREMENTS								
10	STATE MAINTENANCE OF EFFORT REQUIREMENTS								
11	INDIRECT COST RATE CLAIMED <input type="checkbox"/> UNCLAIMED <input type="checkbox"/>								
12	ADDITIONAL DATA Civil Penalties; AS 42.10.394, AS 02.05.231								
13	NAME OF PERSON PREPARING ESTIMATE Keith H. Miller			PHONE 279-1451			DATE 10-15-80		

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22 REVENUE DETAIL

FY82

00600

HB

145

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/12/81

(7)

Date: 2/17/81

Mr. Speaker:

The Committee on TRANSPORTATION has had HB 145

"An Act making a special appropriation for the Hydaburg road; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING DO PASS

Burr Rogers Do Pass
Ray McCreary Do Pass
Frank Fitzhuff Do Pass
Jim Hays Do Pass
TP Buchheit Do Pass
Better Date Do Pass

MEMBERS HAVING OTHER RECOMMENDATIONS:

Ken Fanning

Better Date

CHAIRMAN

HB 145

The intent of HB145 is for the construction of a road connecting Hydaburg to the Prince of Wales road system and making a special appropriation to the Department of Transportation and Public Facilities for construction and for acquisition of right-of-way and roadway improvements in accordance with a Memorandum of Understanding dated January 27, 1981, between the Department of Transportation and Public Facilities and the Sealaska Corporation and the Haida Corporation.

The Department will adhere to the terms of the Memorandum of Understanding dated January 27, 1981, and providing that Sealaska Corporation and Haida Corporation adhere to the terms contained within this agreement, the Department will negotiate an equitable amount not to exceed \$4,409,000 to purchase the right-of-way with road improvements from Sealaska Corporation and Haida Corporation of a sufficient width to eventually operate and maintain a public secondary highway.

No funds will be advanced to either Sealaska Corporation or Haida Corporation prior to the completion of the road in accordance with the aforementioned agreement dated January 27, 1981.

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

Project

February 5, 1981

The Honorable Terry Gardiner
Alaska State House of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99811

Re: Funding of the Hydaburg Highway Project

Dear Mr. Gardiner:

For many years, one of the highest priorities of the City of Hydaburg has been to secure the completion of the 10 miles of road between the City of Hydaburg and the Hollis Highway ending at the head of the Natzuhini Bay, North of Hydaburg. This connection would link Hydaburg with the other communities on Prince of Wales Island such as Craig, Klawock and Thorne Bay. Improvements in terms of local commerce and freight with access to the Hollis State Marine Highway Ferry terminal, and the Klawock Airport, would immediately take place. The completion of the road is a prerequisite to any further economic development in the area related to timber, minerals, energy projects and community development.

In cooperation with the City of Hydaburg and the State of Alaska, DOT, Sealaska Corporation and Haida Corporation have devised a plan to develop this vital road link during the 1981 construction season. Due to the limited funding of the Forest Highway program, the State of Alaska would be unable, through its normal project development procedures, to accomplish the physical construction of this road link prior to 1985. The road link would traverse lands under the ownership of Sealaska and Haida Corporation and two sections under the jurisdiction of the U.S. Forest Service. All parties have agreed to easements or rights of way at no cost to the State of Alaska for this project.

A Memorandum of Understanding was entered into by Sealaska Corporation, Haida Corporation, with Commissioner Ward, Department of Transportation and Public Facilities, January 27, 1981, which essentially advanced the following understandings:

Sealaska would construct the initial road, at its own expense, and would request reimbursement of construction costs from the State of Alaska, prior to transfer of the roadway.

- . The initial road to be constructed by Sealaska and Haida Corporation will be developed, as a pioneer road, to a nominal fourteen (14) foot width with proper turnouts and twenty eight (28) foot wide bridges at standard state requirements.
- . The initial road will be constructed, operated and maintained within the corridor and along the alignment now being cleared environmentally by the Federal Highway Administration.
- . Once constructed, the initial road will be operated and maintained in a manner recognizing limited public access and the State will impose no highway use load limits, until such time as the road becomes a public highway facility.
- . The State of Alaska will attempt to upgrade the road way through its normal funding and project development procedures to expedite the transfer of this road to the State with State or Forest Highway funds.

Both Sealaska Corporation and Haida Corporation are committed to move on this project this year. Construction costs are estimated as follows:

10.1 miles of road @ 180,000/mile	=	\$1,818,000
4 major bridges	=	1,990,000
major culverts	=	200,000
Contingency @ 10%	=	401,000
Grand Total		<u>\$4,409,000</u>

The concept of development by Sealaska/Haida Corporation and reimbursement by the State of Alaska, can be accomplished by the incorporation of this initial road development in timber harvest plans in areas nearby Hydaburg. In the normal course of events the road would not be economic to build and would have to await consideration through the regular process under the Forest Highway Program or State Highway system development.

Sealaska Corporation urges your consideration of an appropriation of \$4.4 million dollars in order that the Hydaburg road connection could be accomplished this calendar year. It is our belief that the project will greatly benefit the public and encourage economic development in a manner that

Representative Terry Gardiner
February 4, 1981
Page 3

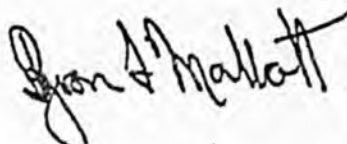
might not otherwise occur until later this decade. For further information or for public hearings on this matter, please feel free to contact Robert W. Loescher, Director of Natural Resources, or Norm Staton, Director of Governmental Affairs, of the Sealaska staff, or myself on this matter.

This same letter has been transmitted to the other members of the Southeast Alaska Legislative Delegation.

Thanking you for this consideration.

Sincerely,

SEALASKA CORPORATION

A handwritten signature in dark ink, appearing to read "Byron Mallott", written in a cursive style.

Byron Mallott
Chairman of the Board

February 4, 1981

Page 4

cc: Senator Ziegler
Senator Bill Ray
Senator Richard Eliason
Representative Jim Duncan
Representative Mike Miller
Representative Terry Gardiner
Representative Oral Freeman
Representative Ernie Haugen
Representative Ben Grussendorf
Representative Sam Cotten
Senator Dankworth - Co-Chairman, Senate Finance Committee
Senator Bennett - Co-Chairman, Senate Finance Committee
Commissioner Ward, State DOT
Mort Cook, Southeast Division DOT
Southeast Conference
Alaska Municipal League
Major, City of Hydaburg
Mayor, City of Craig
Mayor, City of Klawock
Robert Sanderson, Haida Corporation
Pat Gardiner, Shaan Seet Corporation
Don Finney, Louisiana Pacific, Ketchikan
Frank Roppel, Sealaska Timber Corporation, Ketchikan

M E M O R A N D U M

TO: Rep Cato
FROM: Rep Gardiner *T.G.*
DATE: February 13, 1981
RE: HB 145- Hydaburg Road Appropriation

HB 145 is the top priority of the Hydaburg community and has considerable impact on other communities and economies. The Ketchikan delegation would be interested in having a hearing when you could schedule it.

Those interested in testifying would be:

Bob Sanderson, Mayor of Hydaburg
Sealaska Corporation
Dept. of Transportation
District One Legislators

Thank you.

Attachments.

cc: Rep. Freeman
Sen. Ziegler
Mike Chittick, Sealaska, Juneau
Frank Roppel, Sealaska, Ketchikan
Bob Sanderson, Mayor of Hydaburg