

ALASKA LEGISLATURE COMMITTEE FILES 1901-1902

2131 HT SB 135 - SB 212

MAY 20 1982

MSG 02-00028795 PRTY 1 05/25/82 13:40:37 ORIG: LA02 IN= 0010 OUT= 0059
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO
TARGET: LJH2 SUBJ: P O M PAGE 0005

TO: REPRESENTATIVES BYLSMA, HAYES, METCALFE, CATO, ABOOD, DUNCAN,
MOSS, SUTCLIFFE, ZHAROFF
FROM: LESLIE RULE, 5906 S. TAHITI LOOP, ANC 99507 (349-4793)

I URGE YOU TO SUPPORT SENATE BILL 135. IF ALL THE OUTSIDERS COME UP
AND WORK FOR A LOWER RATE OUR TRUCKING ECONOMY WILL GO DOWN THE DRAIN.
PLEASE SUPPORT ALASKANS NOT OUTSIDERS.

MAY 26 1982

MSG 82-00028805 PRTY 1 05/25/82 14:14:53 ORIG: LA02 IN= 0011 OUT= 0066
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO
TARGET: LJH2 SUBJ: P O M PAGE 0007

TO: REPRESENTATIVES CATO, ABOOD, DUNCAN, METCALFE, MOSS, SUTCLIFFE,
ZHAROFF

FROM: ARLENE GIBBONS, SR BOX 545, SEWARD 99664 (288-3877)

PLEASE SUPPORT SENATE BILL 135. ALASKANS CANNOT WORK FOR THE LOWER
RATES THAT THE OUTSIDERS COMING UP ARE WORKING FOR. SOONER OR LATER
IT WILL AFFECT ALL ALASKANS ECONOMY.

6 1982

MSG 82-00028805 PRTY 1 05/25/82 14:14:53 ORIG: LA02 IN= 0011 OUT= 0064
FROM: MARCIE, ANC INFO TO: POM, JUNEAU INFO
TARGET: LJH2 SUBJ: P O M PAGE 0005

TO: REPRESENTATIVES CATO, ABOOD, DUNCAN, METCALFE, MOSS, SUTCLIFFE
ZHAROFF

FROM: THELMA CHICKS, P O BOX 4-429, ANC 99503 (344-1252)

I URGE YOU TO SUPPORT SENATE BILL 135. ALASKA RESIDENTS NEED YOUR
SUPPORT. WE HAVE MANY FRIENDS WHO ARE LONG TIME RESIDENTS AND ARE
FACED WITH NO WORK BECAUSE OF THE RATE CUTTING.

To: All Legislators

From: Don Hennessey

8244 Sea view, Anchorage 99502

Re: SB 135

I am in strong favor of SB 135 -
even more than 2 weeks ago.
Please pass this Legislation.

MSG 82-00027676 PRY 1 05/19/82 13:10:04 ORIG: LA01 IN= 0002 OUT= 0084
FROM: CINDY, ANCH TO: JNU INFO
TARGET: LJH2 SUBJ: POM PAGE 0003

TO: ALL MEMBERS OF THE HOUSE

FROM: SUZETTE EDWARDS, 927 1/2 WEST 20TH, ANCH 99503 (272-4758)

PLEASE SUPPORT HCS CS SB 135. IMPORTANT TO PASS THIS SESSION.

MSG 82-00027824 PRTY 1 05/19/82 13:39:55 ORIG: LA01 IN= 0006 OUT= 0114
FROM: CINDY, ANCH TO: JNU INFO
TARGET: LJH2 SUBJ: POM

PAGE 0002

TO: ALL MEMBERS OF THE HOUSE
FROM: LINDA SPOHN, 5321 TUDOR TOP CR, ANCH. 99507 344-1334

ALASKA'S ECONOMY DEPENDS GREATLY ON H0SCS08 135 TO BE PASSED THIS
SESSION. WITHOUT IT WE CANNOT CONTRIBUTE TO OUR COMMUNITIES. THE TRUCKING
INDUSTRY WILL DIE.

S

B

150

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR
(907) 465-3900

Department of Transportation and Public Facilities

OFFICE OF THE COMMISSIONER

Pouch Z
Juneau, Alaska, 99811
(Telex 45-328)

February 10, 1981

The Honorable Don Bennett
Senator
Pouch V
Juneau, Alaska 99811

RE: Steese Highway - Central to Circle

Dear Senator Bennett:

Per your request this date, following is the project description and need statement data for the subject project.

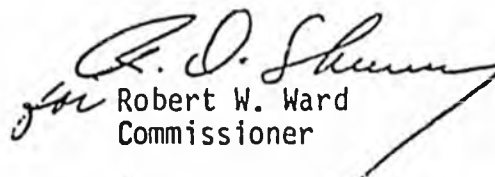
1. Project Description:

This project is for spot repairs along the 33.7 mile section of the Steese Highway between Central and Circle City. The rehabilitation of this route was originally requested as priority 81-21 in the 1981 Capital Budget, but was not funded.

2. Project Need Statement

This road is the highway access between Fairbanks and Circle City on the Yukon River. It is extensively used for recreational and mining access. Freight is hauled on this road for trans-shipment on the river system. The existing facility is substandard in width and alignment. In addition, the road base has seriously deteriorated becoming muddy and slick during wet weather and breakup. The road was last improved in 1953. The average daily traffic is 120 vehicles.

Sincerely,

 2/10/81
for Robert W. Ward
Commissioner

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB150

Title Special Appropriation to DUI/PF for Improvement to the Steese Highway.

Requested by SEN. BENNETT

Date February 9, 1981

II. FISCAL DETAIL

Agency Affected Department of Transportation and Public Facilities

Program Category Affected Design and Construction

BRU, Program, or Subprogram(s) Affected Highway Design and Construction

(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		185				
200 TRAVEL		5				
300 CONTRACTUAL		1,610	-			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1,800				

FUNDING (Thousands of Dollars)

GENERAL FUND		1,800				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This project is for spot repairs along the 33.7 mile section of the Steese Highway between Central and Circle City.

IV. DATE February 13, 1981

PREPARED BY John C. Bates *JB*

AGENCY Department of Transportation and Public Facilities

PHONE 364-2121, ext. 231

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Project Title Steese Highway - Central to Circle		Location(s) Central to Circle City		Election Districts Served 19		Start Date 7/1/81		Revision Date 1/82	
AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year	Ultimate Annual Year	GOVERNOR'S REQUEST		
							Approved	Deferred	Disapproved
								13	
02	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts	
03	G/F Match			General Fund			1003	G/F Match	
04	General Fund	1,870.0					1004	General Fund	1,870.0
05	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds							G.O. Bonds	
			Total Annual Operational Cost						
			Position (FTE)						
			Previous Year Priority		Agency Priority	Governor's Priority			
					82-6	83-1			
Total			1,870.0					Total	1,870.0

PROJECT DESCRIPTION

This project is for spot repairs along the 33.7 mile section of the Steese Highway between Central and Circle City. The rehabilitation of this route was originally requested as priority 81-21 in the 1981 Capital Budget, but was not funded.

CATEGORY Transportation
 AGENCY DOT/PF
 PROGRAM Interior - Highways

Page 1 of 2
 Revised Date

FY 82
 00642

5a PROJECT DESCRIPTION -
 PROPOSED CAPITAL
 PROJECT

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering							
Land							
Construction	1,870.0	1,870.0					
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	1,870.0	1,870.0					

Project Justification

Project Need Statement

This road is the highway access between Fairbanks and Circle City on the Yukon River. It is extensively used for recreational and mining access. Freight is hauled on this road for trans-shipment on the river system. The existing facility is substandard in width and alignment. In addition, the road base has seriously deteriorated becoming muddy and slick during wet weather and breakup. The road was last improved in 1953. The average daily traffic is 120 vehicles.

Project Type

Building Construction (C)
 Other Improvement (I)
 Equipment (E)
 Land (L)
 Professional Services (P)
 Other (O)

Documentation of Estimated Capital Cost

Cost estimates were done by the Division of Highway Design and Construction based on previous experience with similar projects.

Project Characteristics

Totally New Facility
 Addition to Existing Facility
 Renovation of Existing Facility
 Major Maintenance or Repair
 Supplement Previously Authorized
 Funds to Enable Completion
 One of Several Phases
 Major External Funding Source
 Other

Analysis of Estimated Impact on Operational Expense

This project will not substantially reduce maintenance required but will result in a more serviceable facility.

Site Features

NO YES

Site Currently Owned?
 All Utilities Available?
 Access Already Available?

Identification of Alternatives Considered

Delay - until facility can be reconstructed to highway standards. This was rejected in favor of providing a more serviceable interim facility.

PROJECT TITLE Stange Highway

CATEGORY Transportation

PROJECT JUSTIFICATION

AGENCY PF

Page 2 of 2
Revised Date

FY 82
00643

S B

156

ALASKA STATE LEGISLATURE



HOUSE OF REPRESENTATIVES

REPRESENTATIVE SALLY SMITH • 321 CHURCH STREET • FAIRBANKS, ALASKA 99701 • IN JUNEAU: POUCH V • JUNEAU, ALASKA 99811

May 6, 1981

Cliff Pananen
SR Box 90604
Fairbanks, AK 99701

Dear Cliff,

Thank you for your recent letter outlining your alternate proposed utility corridor route for the Alaska Railroad.

Senate Joint Resolution 18 is still in House Transportation, and is scheduled for consideration sometime during the week of May 11. After discussing your most recent letter with the committee chair's office, I have forwarded a copy to Committee Chair Bette Cato. She will include your letter with their piece of legislation so that your comments can be considered at the time the committee meets to deliberate on this piece of legislation.

If you oppose the proposed route, then yes you do have every right to circulate petitions, testify at public hearings and make use of the media to state your position on this issue.

You have stated your case well, one that is well worth considering. Again, thanks for taking the time to write!

Sincerely,

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

Sally Smith
Alaska State Representative

cc: Rep. Cato

jg

APRIL 24, 1961

DEAR SALLY - THANKS A LOT FOR YOUR ASSISTANCE IN MY BATTLE TO SAVE MY HOME FROM THE IRON HORSE & YOUR FORWARDING OF MY MESSAGE CONCERNING SUR 18 TO REP. COTO. THE FOLLOWING IS A LITTLE MORE INFORMATION ON OUR PROBLEM THAT I AM SENDING OUT TO OUR LOCAL DELEGATION, GOV. HAMMOND & THE TRANSPORTATION COMMITTEES. ANY FURTHER ASSISTANCE WOULD BE GREATLY APPRECIATED - I HAVE QUESTIONS, SUCH AS: (1) SHOULD I START A PETITION CIRCULATING AGAINST THE SOLICIA ROUTE? (2) SHOULD I SEND A COPY OF THE LETTER OR SOME INFO TO THE NEWS-MINER? (3) SHOULD I SEND A LETTER TO OUR LEGISLATORS IN WASHINGTON? (4) SHOULD I FORGET IT AND INVEST IN RAILROAD STOCK? (5) SHOULD I START CHANGING OUR HOME INTO A RAILROAD DEPOT? -

THANKS AGAIN - SINCERELY

Cliff Pananen
CLIFF PANANEN

24 April 1981

Dear Rep. Smith,

The State of Alaska Department of Transportation put out a booklet in July of 1979 entitled, "Alaska Railroad Extension, Route Selection Project X20089, Eielson to Canadian Border". In this booklet they give a brief history of the proposed railroad extension, of how several routes on the south side of the Tanana River and one route on the north side of the river (through the Salcha area) were studied extensively. The route that was selected for further study was the Salcha route on the north side of the river and this route was plotted on large scale maps and also incorporated into this booklet.

The booklet has a little over three pages describing the proposed route and covers the section through the Salcha area in four sentences. (See enclosed copy of page 8.) According to information I received from Joan Klaver, Supervisory Field Representative for the Census Bureau for this area, the Salcha area between the Tanana River and Richardson Highway has over one hundred places of residence, at least half of which are fairly close to the proposed railroad right of way.

The entire project seems to have "sneaked in" on the Salcha area without discussion or hearings. Although the booklet was published almost two years ago we didn't know it existed until I happened to spot one in the DOT office this spring on our third visit. My wife and I first found out about the line when mysterious markers showed up in our woods and along the highway. Then, after reading bits and pieces about the railroad extension in the newspaper, we went to the DOT office one year ago and got the shock of our lives. The proposed railroad extension passes between our house and sauna and with a 300 ft. right of way it would wipe out eight years of hard work.

Foolishly, I still didn't worry about it as those who know railroads said, "There's not enough tonnage - the railroad won't go through for twenty years!" Last week SJR 18 passed the senate

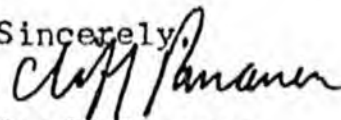
and went to the House Transportation Committee. It requests the President of the United States to create a utility corridor from Fairbanks to the border as described in Project X20089 - 90 feet from my home. Now I'm worried!

The railroad will benefit very few of the Salcha residents and it will break up our neat lifestyle in this rural area. However, there is a solution to the problem. If you look at the enclosed map copied from the booklet, the dark line indicates the proposed railroad extension. From Eielson it passes between the highway and the north bank of the Tanana winding in and over sloughs of the river, crossing the Old Richardson highway several times, crossing the Salcha River to Flag Hill and then it crosses the Tanana River.

If the railroad were to cross the Tanana River near Moose Creek and then follow the south side of the river (as I have sketched in with a red line) it would pass through state and federal lands almost entirely. The wider river crossing would be compensated for by fewer sloughs, no roads, no driveways, no private property and no lives to disrupt. The engineers at the DOT said the Flag Hill crossing is the main reason they are going through the Salcha area because the rocky bluff will make a good anchor for a bridge and the river bed is narrower at that point. But they seem to disregard the effect it will have on the local people. Those of us who have hunted and trapped on the south bank of the river know it would be a firm foundation for a railroad without all the sloughs, roads and people.

The booklet (pages 2 and 3) lists several factors that identified the best railroad location. Two of these are safety - avoiding hazardous situations whenever possible, and right of way - use public lands whenever possible. Doesn't it make sense to move the proposed railroad extension back across the river where it belongs? Thank you.

Sincerely,

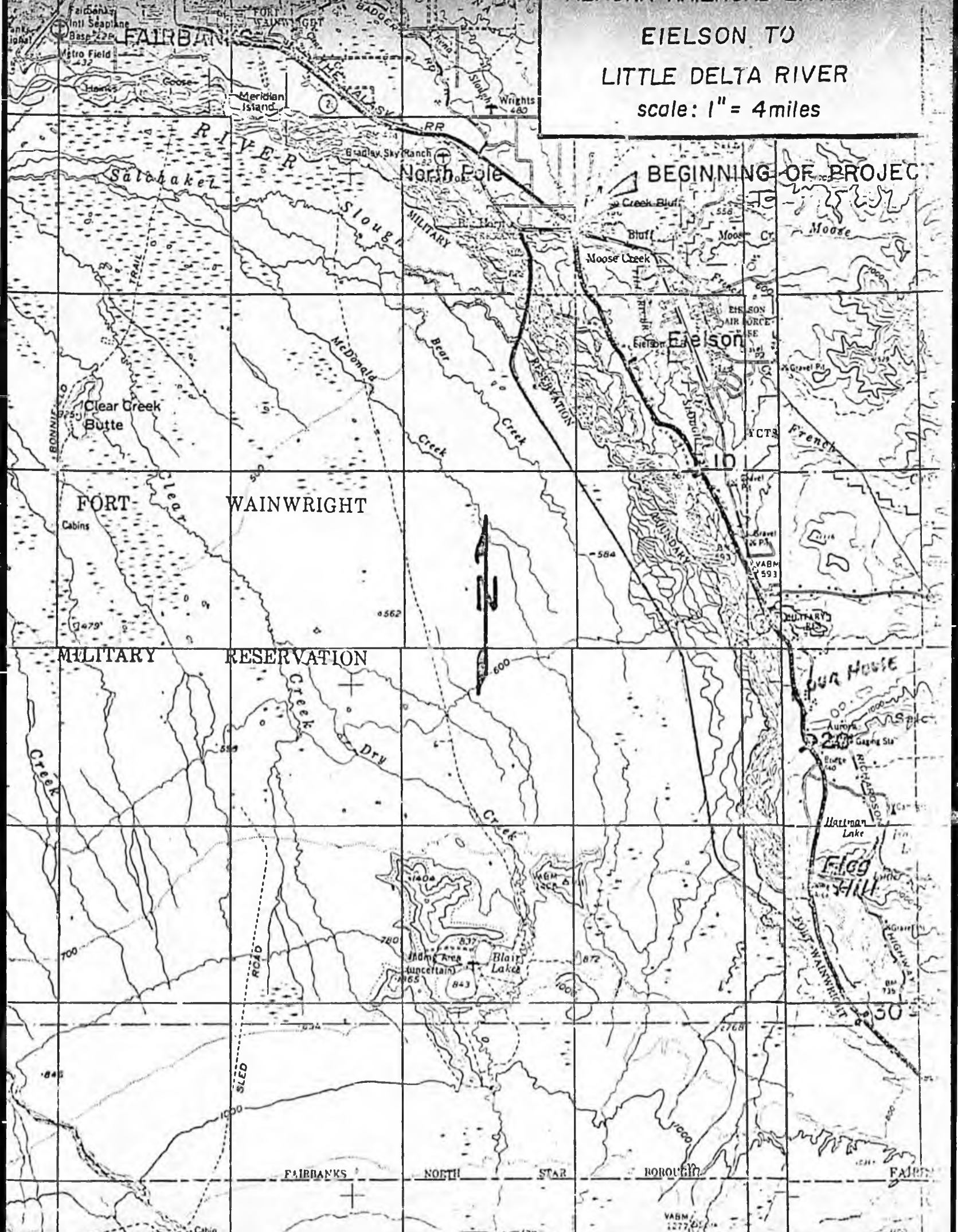


Cliff Pananen
38 Mile Richardson Hwy.
S.R. Box 90604
Fairbanks, Alaska 99701

2 enclosures

cc: Fairbanks Legislators
Governor Jay Hammond
Senate and House Transportation
Committee Members

EIELSON TO
LITTLE DELTA RIVER
scale: 1" = 4 miles



BEGINNING OF PROJEC

FORT WAINWRIGHT

MILITARY RESERVATION

OUR HOUSE

Flag Hill

FAIRBANKS

NORTH

STAR

BOROUGH

FAIRBANKS

VABM 127705

120

1150

ROUTE DESCRIPTION

The new railroad bridge over the Chena River floodway near Moose Creek was selected as the starting point for the proposed railroad extension. This point was chosen rather than the end of the present line on Eielson AFB in order to avoid two crossings of the Richardson Highway which would eventually require overpasses, and to keep the main rail line out of the developed and congested area of Eielson. The Moose Creek starting point requires about 6 more miles of new track but makes the resulting main rail line about 2 miles shorter due to the more direct alignment through the Eielson area.

From Mile 0 the route proceeds southeast between the Tanana River and the Richardson Highway. This section is located on old river bars which offer favorable foundation conditions but require several slough crossings.

PART OF
THE SALCHA
AREA WITH
APPROX.
200 HOMES

The route runs close to the Richardson Highway at Mile 19.5 and then turns up the Salcha River to a crossing about 1 mile below the highway bridge. After crossing the Salcha River, the route heads toward the west slope of Flag Hill and the Tanana River crossing at Mile 25.

After crossing the Tanana River, the route stays within one half mile of the river for the next 8 miles (to Mile 34). This is an area of alluvial gravels supporting stands of large white spruce.

From Mile 34, the route swings farther away from the Tanana toward a crossing of the Little Delta River at Mile 38.5. This crossing is about 2 miles above the mouth of the Little Delta near a low ridge. The stream bed at this point is about 2000 feet wide.

After crossing the Little Delta, the route swings back toward the Tanana River and stays close to the river from Mile 40 to Mile 44. Some bank protection will be necessary in this area. From Mile 44 to Mile 51, the route is located on old wooded river bars 0.5 to 1 mile south of the Tanana River. This is an area of unfrozen alluvial gravels with a thin covering of silt.

The route crosses Delta Creek about 2.5 miles upstream from its mouth and then skirts along the southern side of a 3.5 mile ridge which parallels Clear Creek - Clear Creek being on the northern side of the ridge.

From the east end of this ridge, the route follows along low terraces south of Clear Creek to the vicinity of Mile 67.

From Mile 67 to Mile 74, the route is within a mile of the west bank of the Delta River.

The crossing of the Delta River is in the area near Jack Warren Road. The crossing near Jack Warren Road will require bank protection along the east bank of the Delta River between Mile 75 and Mile 78. Bank protection in this area will be of great benefit to the community of Delta Junction since the river has been actively eroding this section of riverbank in recent years.

24 April 1981

Dear Rep. Cato,

The State of Alaska Department of Transportation put out a booklet in July of 1979 entitled, "Alaska Railroad Extension, Route Selection Project X20089, Eielson to Canadian Border". In this booklet they give a brief history of the proposed railroad extension, of how several routes on the south side of the Tanana River and one route on the north side of the river (through the Salcha area) were studied extensively. The route that was selected for further study was the Salcha route on the north side of the river and this route was plotted on large scale maps and also incorporated into this booklet.

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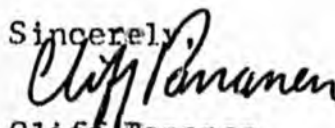
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2 enclosures

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Governor Jay Hammond
Senate and House Transportation
Committee Members

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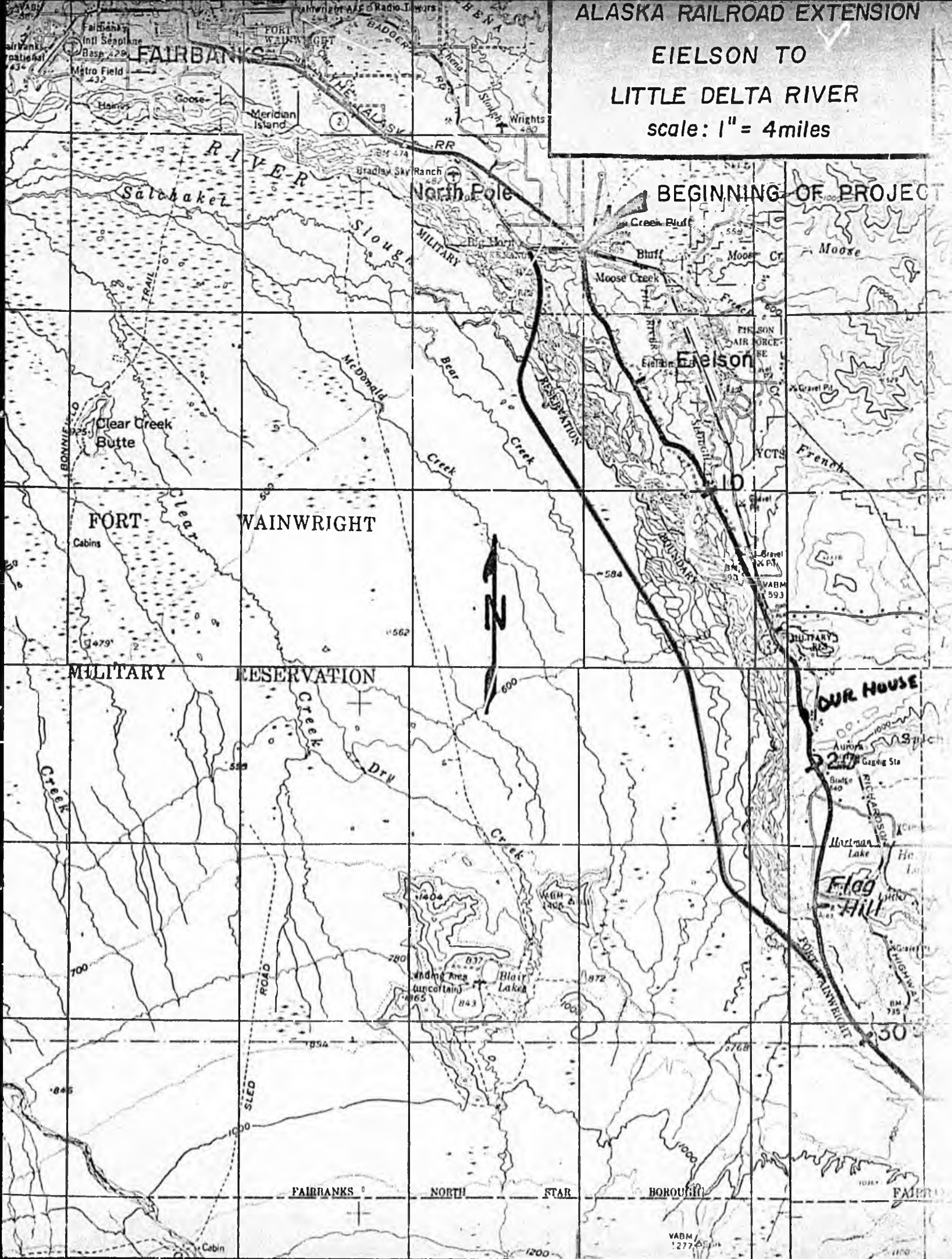
Cliff Pananen
38 Mile Richardson Hwy.
S.R. Box 90604
Fairbanks, Alaska 99701

ALASKA RAILROAD EXTENSION

EIELSON TO

LITTLE DELTA RIVER

scale: 1" = 4 miles



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FORT WAINWRIGHT

OUR HOUSE

Flag Hill

FAIRBANKS

NORTH

STAR

BOROUGH

FAIR

VABM 1277

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APPROX
100 HOMES

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House Transportation - 5/13/81

SB 156

Name	Representing	Testify
Mark Hickey	DOT DOT / PF	No -
→ Susan BATES	DOT / PF	Yes

4/4/81

SENATE BILL 156

2-5-81 Introduced by Senators Parr, Fahrenkamp, Bennett, Bradley, Kelly, Mulcahy, Ray, Rodey, Dankworth and Stimson

Ref: Transportation

2-25-81 Transportation committee reported bill back with 4 'do pass' recommendations and new fiscal note. Chairman Ray requested bill have a further referral to the Finance Committee

Ref: Finance: 4/8/81 all 7 members "do pass"

Senate Floor Vote: 4/15/81 20-0

Summary:

In 1977, the Legislature enacted Sec. 19.05.122 into law as well as passing a special appropriation of \$865,000 (made to the DOT/PF) for delineation of a utility corridor and railroad right-of-way for extension of the Alaska Railroad to the Canadian border. This appropriation was to cover reconnaissance photography and studies, field surveys, mapping, engineering work, cost comparisons and office work.

The Governor approved the appropriation on July 18, 1977, but only after reducing the amount from \$865,000 to \$150,000. During the opening days of the 11th State Legislature, the Governor's reduction of the appropriation by \$715,000 was overridden by the legislature.

In 1980, a report entitled 'Alaska Railroad Extension - Route Selection Project X20089' indicated the delineation had been completed prior to July 1979. As late as February 1980, it was learned that no regulations had been promulgated by the Department of Transportation and Public Facilities as required by the legislation. During the 1980 Legislature, this entire issue was addressed again.

Legislation was introduced (SB 440/CSSB 440). It contained identical language as does SB 156 except, in Senate Bill 156, the date on page i, line 13 has been extended by 1 year. Senate Bill 440 was passed by the Senate on May 16, 1980 on a vote of 19-0. The Session adjourned before the House addressed the bill.

Note: On file with the Senate Finance Committee is a 'Statewide Rail Systems Study for the State of Alaska' prepared by Bivens & Associates, Inc. which was contracted out by the DOT/PF - Planning and Programming Division in cooperation with the Federal Railroad Administration. Various supplements to this report are on file with the DOT/PF. The Bivens report was released to the DOT/PF late December, 1980.

Senate Floor:
4/15/81
20-0

Sec. 19.05.010. Department to supervise highway system.

Applied in State v. L'Anson, Sup. Ct. Op. No. 1102 (File No. 2032), 529 P.2d 188 (1974).

Sec. 19.05.030. Duties of department. The department has the following duties:

(7) develop and implement an avalanche control plan to protect persons who use public highways. (am § 2 ch 119 SLA 1980)

Cross reference.
As to participation in statewide avalanche warning system, see AS 18.76.010.
Effect of amendment. — The 1980

amendment, effective July 1, 1980, added paragraph (7).
As the rest of the section was not affected by the amendment, it is not set out.

Sec. 19.05.040. Powers of department.

Department may acquire real property for highway through eminent domain. — The Department of Highways [now Department of Transportation and Public Facilities] may acquire real property for the purpose of constructing a highway through the exercise of eminent

domain power, under the authority of this section, AS 19.05.080 — 19.05.120 and AS 19.20.040. Babinec v. State, Sup. Ct. Op. No. 908 (File No. 1539), 512 P.2d 563 (1973), rev'd on other grounds, 586 P.2d 966 (1978).

Article 2. Acquisition of Land.

Section

122. Utility corridor for extension of the Alaska Railroad

Sec. 19.05.080. Acquisition of land, rights-of-way, and materials by purchase or eminent domain.

Department may acquire real property for highway through eminent domain. — The Department of Highways [now Department of Transportation and Public Facilities] may acquire real property for the purpose of constructing a highway through the exercise of eminent domain power, under the authority of AS 19.05.040, this section through AS 19.05.120, and AS 19.20.040. Babinec v. State, Sup. Ct. Op. No. 908 (File No. 1539), 512 P.2d 563 (1973), rev'd on other

grounds, 586 P.2d 966 (1978).
Construction of state lease reserving right to grant right-of-way. — Provision in a lease issued by the State of Alaska, Division of Lands, expressly reserving the right to grant an easement or right-of-way across the leased property was construed to include an interagency transfer of a right-of-way to the Department of Highways. Weesells v. State, Dept of Hwys., Sup. Ct. Op. No. 1402 (File No. 2834), 562 P.2d 1042 (1977).

Sec. 19.05.122. Utility corridor for extension of the Alaska Railroad. (a) The interior division of the department shall delineate a proposed utility corridor for the extension of the Alaska Railroad to

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Railroad to

the Canadian border. The proposed utility corridor shall include a delineation of a proposed railroad right-of-way.

(b) The commissioner shall, in conformity with the Administrative Procedure Act (AS 44.62), adopt a regulation approving, modifying, or rejecting the proposed utility corridor and railroad right-of-way.

(c) If the commissioner approves or modifies the proposed utility corridor and railroad right-of-way,

(1) the Department of Natural Resources shall classify, or reclassify, and reserve any state land within the utility corridor for use as a utility corridor and railroad right-of-way; and

(2) the department shall exercise its authority under AS 19.05.040 to acquire rights-of-way across land within the utility corridor which is subject to the state's power of condemnation.

(d) The requirements of the Alaska Land Act (AS 38.05) relating to classification and reclassification of land are inapplicable to actions taken under this section. (§ 1 ch 145 SLA 1977)

Legislative history report. — For report on ch. 145, SLA 1977 (HB 47), see 1977 House Journal, p. 371.

Article 3. General Provisions.

Section
130. Definitions

Sec. 19.05.130. Definitions. In AS 19.05 — 19.40

(1) "commissioner" means the commissioner of transportation and public facilities;

(4) "cost of change, relocation, or removal" means the entire cost incurred by the utility properly attributed to the change, relocation, or removal of a facility, less any costs for improvements or upgrading over and above the cost of a functionally equal facility; if a facility is to be relocated and replaced with new equipment, there shall also be subtracted from the entire cost any salvage value derived from the old facility;

(5) "department" means the Department of Transportation and Public Facilities;

(12) "utility" includes railroads and all publicly, privately, or cooperatively owned lines, facilities and systems for producing, transmitting or distributing communications, telecommunications, power, electricity, light, heat, gas, oil, crude products, water, steam, waste, storm water not connected with highway drainage, and other similar commodities, including publicly owned fire and police signal systems, and street lighting systems;

(am §§ 1, 2 ch 106 SLA 1977; am Executive Order No. 39, § 11 (1977))

February 6, 1980

Mr. Robert W. Ward
Commissioner
Department of Transportation
and Public Facilities
Pouch Z
Juneau, Alaska 99811

Dear Mr. Commissioner:

Chapter 145, SLA 1977, required the Department of Transportation to delineate a proposed utility corridor for the extension of the Alaska Railroad to the Canadian border. A report titled "Alaska Railroad Extension - Route Selection Project X20089" indicates the delineation was completed prior to July 1979.

Chapter 145 also required you to adopt a regulation approving, modifying, or rejecting the proposed utility corridor and railroad right-of-way. I have not yet seen these regulations.

It seems to me important that the regulation be adopted as soon as possible in order that the Department of Natural Resources can reserve the necessary State land, and so that you can begin to acquire right-of-way across non-State land.

It does not appear that there is a need for funds for adopting the regulations. If there is a need for funds for purchasing right-of-way, I would appreciate knowing the amount as soon as possible so that it may be included in this year's budget.

Sincerely,

Charles H. Parr

CHP:vc

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

POUCH Z
JUNEAU, ALASKA 99811
(TELEX 45-228)

March 27, 1980
000H

The Honorable Charles H. Parr
State Representative
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Representative Parr:

This letter is in response to your request for information regarding a regulation on the utility corridor and railroad right-of-way as proposed in the report entitled Alaska Railroad Extension - Route Selection, Project X20089. Your letter was apparently misplaced during internal distribution and I would like to apologize for the delay in this response.

The Department of Transportation and Public Facilities has not as yet adopted a regulation approving, modifying, or rejecting the proposed utility corridor and railroad right-of-way in accordance with Chapter 145, SLA 1977. While the survey report published in July 1979 does provide a delineation of the railroad route, the following tasks remain for completion before property appraisals and right-of-way acquisition could commence:

- (1) short sections of additional route study work in possible problem areas;
- (2) ties between railroad centerline and property corners;
- (3) right-of-way office work necessary to describe right-of-way, develop a complete set of right-of-way plans, and compute acreage of parcels to be acquired; and
- (4) preparation of an Environmental Impact Statement.

Attached for your information is a copy of a recently prepared fiscal note on CSSB 440 detailing the fiscal breakdowns for each of these tasks.

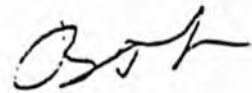
The Department of Natural Resources at my request is currently completing the necessary steps to include the State land needed for this utility corridor within the ongoing State land retention process. It is my understanding that the aforementioned regulation has not been needed to perform this work and that these steps will suffice to adequately reserve the necessary State land.

Your letter also raises the issue of actual acquisition of right-of-way across non-State land. It is my opinion that it would be premature at this point for the State to incur a large financial obligation with the attendant taking of private lands until an economic cost/benefit analysis is performed for the entire route and a more definitive commitment is made to construct this railroad.

A related consideration that structures this view is the prior need for resolution of the pending Alaska National Interest Lands legislation before the State could make a more definitive decision on the extension of the railroad. Not only are there certain Federal lands needed for this route currently impacted by restrictive land classification designations, but more importantly, the crucial argument for the economic viability of the proposed extension may primarily depend upon the land-use configurations established by this piece of legislation.

If there are any further questions concerning this issue, please do not hesitate to contact my office.

Sincerely,



Robert W. Ward
Commissioner

Attachment

cc: John Bates, DOT/PF
Andy Zahare, DOT/PF

II. FISCAL DETAIL

Agency Affected DOT/PF
 Program Category Affected Design and Construction; Planning and Research
 BRU, Program, or Subprogram(s) Affected Transportation
 (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		235.0	327.0	100.0		
200 TRAVEL		28.0	25.0			
300 CONTRACTUAL		273.0	2,020.0	2,000.0		
400 COMMODITIES		4.0	3.0			
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		540.0	2,375.0	2,100.0		

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		540.0	2,375.0	2,100.0		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		1				
PART TIME						
TEMPORARY						

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

WORK COVERED:

FY 81

- 1) Short sections of additional route study work in possible problem areas - \$60,000 (Design and Construction, Interior Region)
- 2) Ties between railroad centerline and property corners (field survey and office calculations) - \$100,000 (Design and Construction, Interior Region)
- 3) Right-of-way work necessary to describe right-of-way, develop a complete set of right-of-way plans, and compute acreage of parcels to be acquired - \$125,000 (Design and Construction, Interior Region, 1 new position)

IV. DATE 3/21/80 PREPARED BY Mark S. Hickey
 AGENCY DOT/PF - S.E. Planning and Research
 Original: Legislative Finance PHONE 465-2470
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 156

Title Withdrawal of land for a utility corridor for extension of the Alaska Railroad.

Requested by Senator Ray

Date 2/9/81

II. FISCAL DETAIL

Agency Affected DOT/PF

Program Category Affected D & C

BRU, Program, or Subprogram(s) Affected _____

(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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		230.0				
200 TRAVEL		200.0				
300 CONTRACTUAL		100.0				
400 COMMODITIES		100.0				
500 EQUIPMENT						
600 LAND & STRUCTURES		3,000.0				
700 GRANTS, CLAIMS, ETC.						
TOTAL		3,630.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		3,630.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

2 x 3,000,000

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

R.O.W. Appraisals and Negotiations	140,000
Public Land Acquisition	-0-
*Private Land Acquisition	3,000,000 ←
Preparation of Environmental Report	490,000
TOTAL	\$3,630,000

150,000
3,000,000

in 1982 dollars
(inflated 12% over 1981)

*Rough estimate. Exact cost will be based on court settlements and any condemnation cases.

This should be a capital non-lapsing appropriation.

IV. DATE 2/19/81

PREPARED BY Gerald Rafson

AGENCY DOT/PF, Interior Region Planning

PHONE 479-4284

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/80)

BR

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

POUCH Z
JUNEAU, ALASKA 99811
(TELEX 45-329)

January 29, 1981

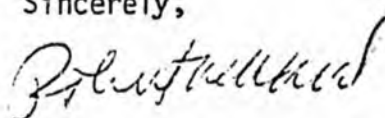
Honorable Charles H. Parr
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Senator Parr:

Attached is an updated fiscal note for the Alaska-Canada extension route. Also attached for your review are two copies of the consultants report of the rail facilities in Alaska.

If you have any comments, please contact Dennis Dooley at 465-2470.

Sincerely,



Robert W. Ward
Commissioner

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 440: Relating to a utility corridor for the ARR and a report
 Title evaluating the affect of extension of the ARR
 Requested by Legislative Finance (Jav Hogan) Date 1-28-81

II. FISCAL DETAIL

Agency Affected DOTPF
 Program Category Affected Design and Construction: Planning and Programming
 BRU, Program, or Subprogram(s) Affected Transportation
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		235.0	350.0	110.0		
200 TRAVEL		30.0	28.0			
300 CONTRACTUAL		300.0	2220.0	2200.0		
400 COMMODITIES		5.0	4.0			
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		570.0	2602.0	2310.0		

FUNDING (Thousands of Dollars)

GENERAL FUND		570.0	2602.0	2310.0		
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Work Covered:

- FY82: 1) Short sections of additional route study work in potential problem areas: \$70,000 (Design and Construction, Interior Region).
- 2) Ties between railroad center line and property corners (field survey and office calculations): \$75,000 (some of this work completed).
- 3) Right-of-way inventory and description and computation of acreage of parcels to be acquired: \$125,000 (Design and Construction, Interior)
- 4) Environmental Impact Statement (EIS): \$300,000.

IV. DATE 1-28-81 PREPARED BY Dennis Dooley
 AGENCY DOTPF, Planning and Programming
 PHONE 465-2470
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

Representative Cato,

Attached are amendments to Senate
Bill 178 for your information.

Keith Specking

SB178

RECEIVED

APR 7 '81

GOVERNORS OFFICE

March 18, 1981

S 101409

The Honorable Don Bennett and Ed Dankworth
Co-Chairmen, Senate Finance Committee
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Re: Amendment to SB178
Increase of \$245,300
Departments of Transportation
& Public Facilities and
Administration

Dear Senators Bennett and Dankworth:

Your committee will soon be reviewing SB178 which makes a supplemental appropriation to pay for the FY 81 costs of the Inland Boatman's Union contract. This bill is currently in the Transportation Committee. The Administration has recently concluded negotiations with the Masters, Mates and Pilots bargaining unit. We request that SB178 be amended to add the funding necessary to pay the FY 81 costs of the agreement between the Masters, Mates and Pilots and the State. The FY 82 costs of this agreement will be requested by a budget amendment (#B100111).

The Masters, Mates and Pilots contract is retroactive to July 1, 1980 and expires on June 30, 1981. The total increased payroll costs for FY 81 required by this agreement are \$240,300. This represents a 6.3% increase over the total MMP payroll prior to the increase. In addition, the agreement also requires the Department of Administration to pay \$5,000 toward a jointly commissioned wage study.

An attachment to this letter proposes language to amend SB178 so that the necessary costs will be funded. Your assistance in amending the bill would be appreciated.

Sincerely,

R. Lehr
Dr. Ronald D. Lehr
Director

r1/jm/tl
cc: Senator Ray, Chairman, Senate Transportation Committee
Representative Sam Cotten, Chairman, House Finance Committee
Commissioner Hudson, Administration
Jay Hogan
Keith Specking

47 Sen. Fin did not add amend. Lehr says will amend

Attachment to Senators Bennett and Dankworth

Suggested Amendments to SB 178 (S101409)

1. Change title to: "An act making supplemental appropriations to the Department of Administration and the Department of Transportation and Public Facilities to fund the Inland Boatman's Union and Masters, Mates and Pilots contracts; and providing for an effective date."
2. Renumber section 2 to section 4.
3. Add a new section 2 to read: "The sum of \$240,300 is appropriated from the general fund to the Department of Transportation and Public Facilities to fund the FY 81 costs of the Masters, Mates and Pilots contract which was signed in February 1981."
4. Add a new section 3 to read: "The sum of \$5,000 is appropriated from the general fund to the Department of Administration to fund the FY 81 costs of the Masters, Mates and Pilots contract which was signed in February 1981."

MM&P AGREEMENT - FY '81 COST

Across the Board Increases
(\$100/mo. x 12 mos. x 65 Deck Officers) \$ 78,000.00

"Master's Pay" Increases
SE: (\$140/mo. x 12 mos. x 17 Deck Officers) 28,560.00
Tustumena: [\$75/mo.] x 12 mos. x 2 Deck Officers) [1,800.00]

Non-Watch Pay, In Lieu of Overtime, Increases
Masters - SE (including Chilkat):
\$260/mo. x 12 mos. x 19 Deck Officers 59,280.00
Masters - SW: \$260/mo. x 12 mos. x 4 Deck Officers 12,480.00
Chief Mates - SE: \$95/mo. x 12 mos. x 10 Deck
Officers 11,400.00

Equalization of SE 2nd and 3rd Mates:
\$126.95 x 12 mos. x 6 Deck Officers 9,140.40

Taku Upgrade
Masters: \$162.95/mo. x 12 mos. x 2 Deck Officers 3,903.60
Chief Mate: \$142.82/mo. x 12 mos. x 2 Deck Officers 3,427.68

Overtime Rate Increases - SE 34,558.63

Overtime Savings - SE Chief Mates [8,991.45]

Maintenance and Cure Improvement 3,000.00

Uniform Allowance Increase
\$1/pay period x 26 pay periods x 65 Deck Officers 1,690.00

Subtotal \$234,648.86
UI Increased Cost - 7% gross wages 1,609.71
License Insurance Increase 4,037.39

SUBTOTAL \$240,295.96

Jointly Commissioned Wage Study. \$ 5,000.00
These funds to be allocated to the Commissioner
of Administration to pay the State share of
study costs.

TOTAL \$245,295.96

MM&P Projected Payroll, CY 1981
(Absent new Agreement) \$ 3,868,816.70

Package represents approximately 6.3% increase
to total projected payroll.

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 30, 1981

Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Once again I have been requested to recommend naming the bridge over the Yukon River in honor of E. L. Patton.

I am pleased to submit Mr. Patton's name to the Alaska State Legislature, which by law is the assembly for the unorganized borough, for its consideration. I would suggest that the Legislature pass a resolution of legislative intent on this issue, if they determine that the bridge should be named for E. L. Patton.

Thank you for your assistance and consideration on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay S. Hammond", written over the typed name.

Jay S. Hammond
Governor

Biographical Sketch

Edward L. Patton, Chairman
Alyeska Pipeline Service Company

Edward L. Patton was named President of Alyeska Pipeline Service Company upon its formation in August, 1970, and was named Chairman and Chief Executive officer of the company in 1976. With extensive experience in managing the construction of petroleum facilities both in the United States and abroad, he moved to Alyeska after managing the construction and operations of a major new refinery complex at Benicia, California.

A native of Newport News, Virginia, Patton was graduated from the Georgia Institute of Technology in 1938 with a BS degree in Chemical Engineering. He joined an Exxon affiliate in Baton Rouge, Louisiana, the same year and served in several engineering assignments for that company before being called to active duty in the Navy.

From 1941 until 1946, Patton served in the U.S. Navy, including duty as commanding officer of several antisubmarine and escort vessels serving in Caribbean, North Atlantic, and Pacific waters. In 1946, he returned to Exxon in Baton Rouge and progressed through a number of management positions before transferring to the Norwegian affiliate for the construction and early operation of a refinery. He returned to the United States in 1964 as an advisor for Exxon refining operations in the Mediterranean, Middle East and Far East.

In 1966, Patton was transferred to Exxon's chief domestic affiliate to assume responsibility for construction and operation of the refining facility at Benicia, near San Francisco.

As Alyeska's chief executive, Patton led the world's largest private construction project through its regulatory, design, construction and operation stages, overseeing a peak workforce of 22,000 men and women.

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SB 188
 Title Naming the North Slope Bridge in honor of Edward L. Patton
 Requested by (State Affairs Committee) Date 2/18/81

II. FISCAL DETAIL
 Agency Affected Dept. of Transportation and Public Facilities
 Program Category Affected Maintenance & Operations
 BRU, Program, or Subprogram(s) Affected _____
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	.45					
200 TRAVEL	.2					
300 CONTRACTUAL	.1					
400 COMMODITIES	.5					
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	1.25					

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Cost includes manufacture and installation of standard highway bridge signs.

IV. DATE February 24, 1981 PREPARED BY W. P. Miller
 AGENCY Maintenance & Operations (DOT/PF)
 Original: Legislative Finance PHONE 266-1445
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

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SENATE AMENDMENT

By _____

To: CS SENATE BILL No. 212

To: _____ HOUSE BILL No. _____

PAGE: 45 LINE: 29

*Add new sec. 5 as shown below.
Re-number existing language.*

Sec. 5. AS 23.10.420(b) is amended to read:

(b) Except for hostling movements and duties as negotiated for each railroad company, no person operating an Interstate Commerce Commission-regulated railroad offering passenger service in this state may operate an engine or locomotive, regardless of the form of energy used for propulsion, for switching cars or in transfer movements, unless every engine or locomotive is manned by a minimum crew consisting of one locomotive engineer, [ONE LOCOMOTIVE FIREMAN (OR HELPER),] one conductor, and one brakeman [TWO HELPERS].

ALASKA STATE CHAMBER OF COMMERCE
Statement Before House Transportation Committee
May 11, 1982
SB 212

Mr. Chairman, my name is J.P. Tangen. I'm Vice Chairman of the Alaska State Chamber of Commerce, the largest federation of Alaska businesses in the state. This morning I have been asked to present the position of the state chamber and the Anchorage Chamber of Commerce. These two organizations combined represent the majority of Alaska businesses from the singly owned and operated enterprise to the states' largest employers.

Legislation effecting transfer of the Alaska Railroad into state ownership presents major challenges, largely because of the conflict inherent in trying to operate a publicly owned corporation as a profit making business.

The Alaska State Chamber and the Anchorage Chamber have been long term supporters of transfer of ownership, however we feel SB 212 as presently before you fails in several important respects to provide an adequate framework for state ownership and operation of the railroad. We believe there are areas of direct conflict between SB 212 and the current version of S 1500 now before congress.

We believe the current version of SB 212 provides for an inherently inefficient operation.

We believe the state should not at the moment go any farther than establishing an independent Alaska Railroad Authority leaving detailing of its operation to be defined after the federal bill becomes law.

We believe the following proposed sections to be in direct conflict.

42.40.400 - Titled "Rail Properties" provides for conveyance by the authority to the state of the sub surface estate and mineral rights on railroad lands, yet S 1500 provides for reversion of railroad lands back to federal ownership if such lands are not used solely for railroad purposes. Not only will the ownership be difficult or impossible to recombine, it seems to us the authority should be free to use its enterprise assets to maximize its income.

42.40.700 - Titled "Personnel"

Drafts of S 1500 have all contained the mandate that employees may join the state personnel system. This provision prohibits it. This conflict can be avoided by having no provision in the state law until federal legislation is adopted.

42.40.740 - Titled "Claims Against the Authority" says in essence, that claims must be brought against the authority not the state. The language in S 1500 provides specifically that the word "state" includes an entity designated by the state to own, operate, or manage the Alaska Railroad (Section 2d).

Concerning the provisions of SB 212 which will make operation of the railroad inherently inefficient:

42.40.010 - We believe the interests of the people of Alaska are best served by preserving the maximum possible amount of the independence under which the railroad now operates. The authority should not be established within an existing department but should be a separate division of government either according to title 3, section 22 of the state constitution or by constitutional amendment. At a minimum, it should be a Title X corporation under Alaska statutes.

Any of these methods would assure the authority more independence from existing government and would assure the railroad of a

place in state government to match its potential impact. Furthermore, it would eliminate another layer of administrative procedures.

The rule making and public hearing procedures in sections 42.40.230, 42.4300 and 42.4420 provide for six separate sets of rules to be promulgated by the railroad to operate under this law. Each of these rule making powers individually reduces the operating efficiency of the railroad. Collectively, they represent an onerous burden.

Business must be able to move quickly to capture profit opportunities. The railroad is in competition with other carriers. It cannot be "telegraphing its punches" but must now have the speed inherent in an independent board and management, not burdened by a complex and lengthy hearing process.

In addition, every utterance of the railroad can be classified as a regulation by the reference in 42.20.900, paragraph 11 to AS 44.62.640. The railroad now has 143 volumes of orders, with 469 supplements.

The railroad would limit its own ability to attract operating and management talents under 42.40.800 paragraph 5 which limits salaries of employed executive officials. We believe prudent business practice should dictate compensation levels.

In closing, let me restate that we feel SB 212 is over long and that the state should for the moment not try to fully implement as yet unadopted federal legislation but should merely create the authority. Full definition can then be made in light of federal law.

FANNING AMENDMENT NO 1
PROPOSED CORPORATE SEAL FOR A.R.A.



FANNING AMENDMENT NO 1
PROPOSED CORPORATE SEAL FOR A.R.A.



Alaska State Legislature



House of Representatives

Committee on Transportation

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

Rep. Bette Cato, Chairman

TO : Members, House Transportation Committee
FROM : Steve Soenksen A.A. *SS*
DATE : May 11, 1982
RE : CSSB 212

I have researched some of the amendments to CSSB 212 to prepare a committee substitute and several issues were raised that I felt you should be aware of.

Amendment 2, by Sutcliffe would cause significant operational difficulties for the Alaska Railroad Authority. The authority would not be able to offer a "through tariff" or through rate as a carrier, as other carriers in the state can. The original language of CSSB 212 provided for "acquisition of other modes of transportation. While this caused some problems in interpretation, to delete this provision would have a negative impact on the Railroad.

Perhaps the committee could consider the language below that would allow the authority to through tariff that keeps the "acquisition of other modes" language out of the bill.

"Sec. 42.40.300 (27) plan for and undertake expansion of the railroad and [railroad] related activities, including extension of the Alaska Railroad's rail system and [acquisition of other modes of transportation service connecting to the railroads rail service] provision for connecting rail services;

This language parallels the Federal Railroad Act of March 12, 1914 that the Alaska Railroad was established under. The intent of the state since the issue of transfer of the railroad began, was to "receive not less than the federal government has to operate the railroad." This means that the state would be interested in the transfer if the state could be assured that the constraint places on the state were no greater that the constraints that were presently on the railroad operations. This language is consistent with the state philosophy.

If the above amendment is considered, there is another area that would need minor change;

Page two
Memo to Committee Members

Sec. 1 (c) (E) to provide the best possible combination of types and levels of safe, efficient, and economical railroad transportation and related activities that [is] are necessary to meet the overall needs of the state, that are supported when necessary by state investment;

This includes the language that the committee amended yesterday and adds to it.

If the committee considers it necessary to include "spousal relationships" the appropriate place would be to amend the definition section as follows.

Sec. 42.40.900 (7) (A) spouse or spousal relationship;

Another issue that came up was in Sec 42.40.555 INSURANCE. The statute reads "The authority shall keep in force public liability insurance in an amount...." It was thought upon further analysis that the authority should be allowed the option of a self-insurance or risk management-type situation. Many companies are now going to this type of coverage.

The language reads as follows:

Sec. 42.40.555 INSURANCE. Unless the board authorizes and the authority establishes a self-insurance program, the authority shall.... (rest same)

Rep. Zharoff asked the question about page 44, line 24, definition of land. According to Tom Coester in the Attorney General's office this language was used "to include tide and submerged lands" to leave no doubt that these lands were included with the real property. This is because the federal government, under the railroad, held all real property, "including tide and submerged lands", and this language gives the state owned railroad jurisdiction in lands, "the same as the federal government had". This is consistent with the state position that I referenced earlier in this memo.

I await further direction in these matters.

A M E N D M E N T

Offered in the HOUSE

By: Sutcliffe

TO: HCS CSSB 849(R1s)

Failed
#1 } Page 1, line 15, following "railroad"

Delete all material through "state".

Insert "is not feasible although the possibility of future private acquisition and operation of the railroad should be pursued by the state and the Alaska Railroad Authority."

Passed
#2 } Page 17, lines 3 and 4, following "system" on line 3:

Delete all material through "rail service" on line 4

Page 21, line 6, following "materials":

Delete ", "

Page 21, line 7:

Delete all material through "coal"

#3 } Page 23, line 4, following "gravel,":

Insert "and"

Page 23, line 5:

Delete ", and, in accordance with AS 42.44.410(g), coal"

Page 24, lines 4 - 18:

Delete subsection (g) in its entirety

EXPLANATION OF AMENDMENTS

- AMENDMENT # 1 - largely self-explanatory - the amendment would emphasize that third party acquisition of the Alaska Railroad, while not feasible at this time, should continue to be pursued.
- AMENDMENT #2 deletion of the phrase, "acquisition and operation of other modes of transportation service connecting to the railroad's rail service" would remove this power from the Railroad authority. Since the railroad is in competition with the private sector of the transportation industry I feel it is inappropriate that a tax exempt public corporation have the right to acquire at will its competition. The Alaska Railroad should remain strictly a railroad.
- AMENDMENT #3 the amendment would eliminate the RR Authority's rights to coal on railroad lands. These rights would then remain with the State. The Alaska Railroad presently has no need of its own coal now. It purchases a small amount of coal from the Usibelli Coal Mine for use in the Fairbanks rail yards. It has no plans to use any additional coal in future for its own needs. If for any reason it becomes necessary for the railroad to use additional coal it can easily purchase coal from the Usibelli coal mine or the legislature can convey the coal rights on railroad lands to the RR Authority.

Proposed amendment to CSSB 212

Amendment number _____

✓ Page 19, line 11

Delete: "the leadership of"

✓ Page 22, line 7

Delete: "the leadership of"

✓ Page 34, line 17:

Delete: "the leadership of"

✓ Page 44, line 26:

Delete: subsection (9) in its entirety

Reason:

By custom in the Alaska legislature, when an agency or other unit of government is required to submit a report to the Legislature, they report is sent to the Senate secretary and the Chief Clerk of the House, where the decision is made for further distribution, unless the statute specifies that each member of the legislature receive a copy. It is unnecessary and unreasonable that the leadership should be singled out to receive the minutes of the meetings of the board.

Proposed amendment to CSSB 212

Amendment number _____

Page 6, line 1:

Delete: "\$300"

Insert in its place: "\$150"

Reason:

An unnecessarily high rate of compensation, considered it is in addition to travel and per diem that the board member would be allowed anyway.

Proposed amendment to CSSB 212

#6

Amendment number _____

Page 2, line 17

Following "(2)", insert: "in order to facilitate federal transfer legislation"

Reason:

This further clarifies that the state is not getting into the railroad business to be in the business, but because the federal government desires to divest itself of the line, and the state is the logical entity to receive it initially.

Proposed amendment to CSSB 212

Amendment number _____

Page 2, line 29

Delete: subsection (E) in its entirety

Reason:

This subsection suggests that the authority should not only be in the railroad business, but should also be in the bus, truck, airline, taxicab and bargeline business as well. In addition, the last phrase of the sentence is directly contradictory to the preceding subsection. Subsection (D) asks the organization to be self-sustaining, while (E) turns around and asks it to come to the state government for funding to provide the best possible combination of transportation types and modes.

Proposed amendment to CSSB 212



Amendment number _____

Page 1, line 16

Delete: "or in the best interests of the people of the state"

Reason:

Whether or not the private acquisition of the railroad is feasible or practical at this time, it is always in the best interests of the people of the state that the railroad become part of the private sector.

Proposed amendment to CSSB 212

Amendment number _____

Page 2, line 4

Delete: "provide"

Insert in its place: "encourage and promote"

Page 2, line 9

Delete: "provide"

Insert in its place: "encourage and promote"

Reason:

It should not be the state's policy to provide transportation services in the state. It may be the state's policy to encourage and promote those safe, efficient and economical modes of transportation, and it may even be that the state will be forced by circumstances to manage the railroad for an interim period of time until the private sector can assume its ownership and management, but transportation is not a proper service of government.

Proposed amendment to CSSB 212

Amendment number _____

Page 3, line 5

Delete subsection (G) in its entirety

Reason:

The ambiguity of what constitutes a "satisfaction" or what is a "need" make this subsection impossible to fulfill. It could be read as a mandate to expand services almost ad infinitum, and is certainly not necessary.

Proposed amendment to CSSB 212

Amendment number _____

Page 17, line 23

Delete: "convenient or desirable"

Reason:

It seems that for an authority of this sort, to empower it to do all things necessary to carry out its powers and duties should be sufficient. To empower the authority to do that which is convenient or desirable grants the authority's management unnecessary and easily abused powers.

Proposed amendment to CSSB 212

Amendment number _____

Page 7, line 9

Delete: "except as may be required by federal law."

Reason:

It is ridiculous to imagine that the authority, an instrumentality of the state of Alaska, should be bound by federal law to pay an employee at a higher wage or salary than is generally accepted as reasonable or commensurate for other executives performing similar duties in other areas of the state government.

Proposed amendment to CSSB 212

Amendment number _____

Page 9, line 1

Delete: subsection (11) in its entirety

Page 14, line 27

Delete: "by eminent domain or"

Page 26, line 8

Delete: "EMINENT DOMAIN AND"

Page 26, line 20

Delete: subsection (d) in its entirety

Reason:

It is onerous enough that the government itself has the power of eminent domain - to take what it likes, whenever it likes - but to hand that power on over to a quasi-governmental agency like the railroad authority is to give away one more of the diminishing freedoms of Alaskans. The power of eminent domain in government is unfortunate and undesirable: To give it to the authority is not right.

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: _____

TO: CSSB 212 HOUSE BILL No. _____

SENATE BILL No. _____

PAGE: _____

LINE: _____

Page 1, line 16

Delete: "or in the best interests of the people of the state"

Page 2, line 4

Delete: "provide"

Insert in its place: "encourage and promote"

Page 2, line 9

Delete: "provide"

Insert in its place: "encourage and promote"

Page 2, line 17:

Following "(2)", insert: "in order to facilitate federal transfer legislation"

Page 2, line 29:

Delete subsection (E) in its entirety

Page 3, line 5:

Delete subsection (G) in its entirety

A M E N D M E N T

OFFERED IN THE HOUSE:

By: _____

To: CSSB 212 HOUSE BILL No. _____

SENATE BILL No. _____

PAGE: _____

LINE: _____

Page 6, line 1:

Delete: "\$300"

Insert in its place: "\$150"

Page 7, line 9:

Delete: "except as may be required by federal law,"

Page 17, line 23:

Delete: "convenient or desirable"

Page 19, line 11:

Delete: "the leadership of"

Page 22, line 7:

Delete: "the leadership of"

Page 34, line 17:

Delete: "the leadership of"

Page 44, line 26:

Delete: subsection (9) in its entirety

A M E N D M E N T

OFFERED IN THE HOUSE:

By: _____

To: CSSB 212 HOUSE BILL No. _____

SENATE BILL No. _____

PAGE: _____

LINE: _____

Page 9, line 1:

Delete: subsection (11) in its entirety

Page 14, line 27:

Delete: "by eminent domain or"

Page 26, line 8:

Delete: "EMINENT DOMAIN AND"

Page 26, line 20:

Delete: subsection (d) in its entirety

Jerry Johnson / Hickey -

p. 44
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(D) ~~from~~ opposite member of a spousal /
relationships and children -

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for SB 212 (Transportation Committee)
 Title An Act relating to the Alaska Railroad
 Requested by Sens. Kerttula; Dankworth; Rav Date 4/23/82

II. FISCAL DETAIL

Agency Affected DOT/PF
 Program Category Affected Alaska Railroad Authority
 BRU, Program, Or Subprogram(s) Affected N/A

(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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	(See Analysis Below)			

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						
TOTAL	-0-	-0-				

POSITIONS

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

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

The effective date for this bill is triggered only upon acceptance by the legislature of the closing report under the federal transfer legislation, or acceptance by the legislature arrangements to operate the Federal Alaska Railroad by the authority. Consequently, there will be no direct fiscal impact resulting from this bill prior to the occurrence of either of these events. It should also be noted that any costs incurred by the State associated with the ongoing transfer discussions have already been adequately budgeted for within existing DOT/PF submittals.

IV. DATE April 23, 1982

PREPARED BY Mark S. Hickey
 AGENCY DOT/PF: S.E. Planning & Programming

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

33-001 (Rev. 12/81)

Original sponsors: Dankworth, Kerttula
and Sturgulewski

Offered: 5/4/82

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR SENATE BILL NO. 212 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Railroad; and providing
7 for an effective date."

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

9 * Section 1. LEGISLATIVE FINDINGS, POLICY, AND DECLARATIONS. (a) The
10 legislature finds that

11 (1) the United States government has expressed its determination
12 to discontinue federal operation of the Alaska Railroad at the earliest
13 possible date;

14 (2) for the time being, private acquisition and operation of the
15 railroad [in a manner consistent with the federal transfer legislation and
16 this Act is not presently considered to be a reasonable possibility [or in the
17 best interests of the citizens of the state;]

18 (3) continued operation of the railroad is possible only if the
19 state acquires the railroad from the federal government and provides for
20 operation of the railroad;

21 (4) continued operation and development of the Alaska Railroad is
22 essential to the long-term economic growth and development of the state and
23 its natural resources and will serve an important public purpose; and

24 (5) continued operation of the Alaska Railroad will promote the
25 general welfare of the people of the state by providing important freight and
26 passenger service to residents of the state, businesses, visitors, and mili-
27 tary installations in the state.

28 (b) It is the policy of the state to

29 (1) foster and promote the development of the state's lands and

1 natural resources;

2 (2) foster and promote the long-term economic growth and develop-
3 ment of the state;

4 (3) provide necessary and desirable freight and passenger rail
5 transportation services to residents, businesses, visitors, and military
6 installations in the state;

7 (4) develop and implement plans for a transportation network that
8 effect the policies set out in this subsection; and

9 (5) provide safe, economical, and efficient transportation to
10 residents, businesses, visitors, and military installations in the state.

11 (c) The legislature declares that

12 (1) the exercise of the powers of the state in the interest of the
13 people of the state is necessary to accomplish the policy set out in (b) of
14 this section by authorizing the creation of a public authority with the
15 powers, duties, and functions as provided in this Act to operate the Alaska
16 Railroad and to manage its rail, industrial, port and other properties;

17 (2) it is in the best interests of the people of the state for the
18 public authority created by this Act to operate and manage in a prudent
19 manner the Alaska Railroad

20 (A) to be exclusively responsible for the management of the
21 financial and legal obligations of the Alaska Railroad;

22 (B) with the railroad authority, and not the state, consti-
23 tuting a common carrier subject to the jurisdiction of the United States
24 Interstate Commerce Commission;

25 (C) with the ability to raise capital by issuing obligations
26 exempt from federal and state taxation;

27 (D) to carry out its responsibilities on a self-sustaining
28 basis;

29 (E) to provide the best possible combination of types and

Transportation
railroad

1 levels of safe, efficient, ~~and~~ economical transportation that is neces-
2 sary to meet the overall needs of the state, supported when necessary by
3 state investment;

4 (F) according to sound business management practices;

5 (G) to provide the level of service that best satisfies the
6 needs of the people of the state;

7 (H) in a fiscally sound manner; and

8 (I) to ensure that borrowing by the authority does not
9 directly or indirectly endanger the state's own borrowing capacity;

10 (3) the continued operation of the railroad will assure greater
11 use, development, reclamation, and settlement of the state's land for the
12 maximum benefit of the people; and

13 (4) the important public purposes to be served by the railroad
14 authority require the authority to have all of the powers and duties granted
15 to it by this Act; the legislature intends that the authority, consistent
16 with sound business management practices, exercise its powers and duties as a
17 public service on behalf of the state and recognizes that the exercise of the
18 powers and duties granted by this Act requires the authority to engage in the
19 wide range of conduct authorized by this Act.

20 * Sec. 2. AS 42 is amended by adding a new chapter to read:

21 CHAPTER 40. ALASKA RAILROAD AUTHORITY.

22 ARTICLE 1. ESTABLISHMENT AND ORGANIZATION.

23 Sec. 42.40.010. ESTABLISHMENT OF AUTHORITY. There is established
24 the Alaska Railroad Authority. The authority is a public corporation
25 and, for purposes of art. III, sec. 22, Constitution of the State of
26 Alaska, is an instrumentality of the state within the Department of
27 Transportation and Public Facilities, but the authority has a legal
28 existence independent of and separate from the state. The exercise by
29 the authority of the powers provided in this chapter is considered an

1 essential governmental function of the state. The existence of the
2 authority is perpetual.

3 Sec. 42.40.020. LIMITATION OF LIABILITY. A liability incurred by
4 the authority must be satisfied exclusively from the assets and credit
5 of the authority and no creditor or other person has a right of action
6 against the state on account of a debt, obligation, or liability of the
7 authority.

8 Sec. 42.40.030. BOARD OF COMMISSIONERS. (a) The powers of the
9 authority are vested in the Board of Commissioners. The board consists
10 of the commissioner of transportation and public facilities, who serves
11 as a voting member; the chief executive officer of the authority, who
12 serves as an ex officio nonvoting member; an authority employee appointed
13 by the governor, who serves as a nonvoting member and represents the
14 labor organizations that are certified to represent authority employees;
15 and six voting public members appointed by the governor. The public
16 members must have substantial experience or professional training and
17 expertise in fields relevant to the purposes of this chapter, including,
18 but not limited to transportation, business, and finance and have the
19 standing in their communities to command the respect of their fellow
20 citizens. Unless prohibited by law, one public member shall be or have
21 been an executive official of an American railroad that is not now or
22 was never a connecting carrier of the Alaska railroad. At least four
23 public members must be selected from areas served by the railroad. The
24 public members may not be state officers or employees.

25 (b) The public members of the board shall be confirmed by a major-
26 ity of the membership of the legislature in joint session. A public
27 member appointed by the governor, unless and until the member has been
28 rejected by the legislature, has the full powers and responsibilities of
29 a confirmed board member.

1 (c) The board shall elect from its membership a chairman, a vice-
2 chairman, a treasurer, and a secretary and prescribe their specific
3 duties by rule.

4 (d) The chairman shall call meetings of the board at least once
5 every three months. The chairman may call other meetings of the board
6 as he considers necessary. The chairman shall preside at meetings of
7 the board.

8 (e) The governor by written notice to the member may remove a
9 public member from the board for

10 (1) incapacitation caused by injury or sickness that leaves
11 the member unable to perform his duties under this chapter;

12 (2) continued refusal or inability to attend meetings of the
13 board;

14 (3) conviction of a misdemeanor involving moral turpitude or
15 a felony; or

16 (4) any conduct that was intended to harm the authority
17 whether or not it constitutes a crime.

18 Sec. 42.40.040. TERM OF OFFICE; VACANCIES. (a) The public members
19 of the board serve for staggered terms of five years each.

20 (b) A vacancy on the board is filled by appointment by the governor
21 and the appointment must be confirmed by the legislature in joint ses-
22 sion. A member selected to fill a vacancy holds office for the balance
23 of the term for which his predecessor is appointed.

24 (c) A vacancy on the board does not impair the authority of a
25 quorum of members to exercise the powers and perform the duties of the
26 board.

27 (d) A member whose term has expired shall serve until his succes-
28 sor has been appointed.

29 Sec. 42.40.050. COMPENSATION AND EXPENSES. A public member of the

1 board is entitled to compensation at the rate of \$300 for each day the
2 member is engaged in actual performance of duties as a member of the
3 board. The board shall provide by rule for compensation for partial days
4 during which a member is engaged in actual performance of his duties. A
5 member is entitled to per diem and travel expenses authorized by law for
6 state boards and commissions under AS 39.20.180.

7 Sec. 42.40.060. QUORUM AND NOTICE OF MEETINGS. Four voting members
8 of the board constitute a quorum for the transaction of business. In
9 addition to the notice requirements of AS 44.62, notice of a meeting of
10 the board, including an agenda for the meeting, must be given to

- 11 (1) each member of the board;
- 12 (2) the governor;
- 13 (3) the leadership of the legislature;
- 14 (4) at least two newspapers of statewide circulation; and
- 15 (5) members of the general public upon request.

16 Sec. 42.40.070. VOTING. The board shall provide by rule for the
17 manner of voting and any representation of persons absent from meetings.
18 The rules may provide for voting and conferring by means of telecommuni-
19 cation devices or by mail or for voting as directed in a written proxy
20 taking a position on a particular issue so long as voting is consistent
21 with AS 44.62.310. However, no proxy is allowed that delegates to the
22 holder discretion to act for a principal on undisclosed or general
23 matters.

24 Sec. 42.40.080. MANAGEMENT OF AUTHORITY. (a) Unless the board
25 provides for management of the authority by a third-party contractor
26 under (b) of this section,

27 (1) the board shall appoint and fix compensation for the chief
28 executive officer and legal counsel of the authority; the appointment of
29 legal counsel is subject to the approval, for competence, of the governor

1 (2) the chief executive officer shall appoint and fix compen-
2 sation for the other executive officials; the appointments and compensa-
3 tion are subject to board approval;

4 (3) officials appointed under (1) and (2) of this subsection
5 serve at the pleasure of the board;

6 (4) the chief executive officer may appoint and fix compensa-
7 tion for any additional personnel necessary to carry out the purposes of
8 this chapter;

9 (5) except as may be required by federal law, no executive
10 official of the authority may be compensated at a rate in excess of that
11 established under AS 39.20.080 for the heads of principal executive
12 departments of the state.

13 (b) The board may provide for, in a manner consistent with the
14 purposes of this chapter and subject to the approval of the state as
15 provided in AS 42.40.600(g), the management and operation of the rail-
16 road by a third-party contractor. Subject to the limitations in (a) of
17 this section, the board may provide for appointment and compensation of
18 any executive official, including but not limited to those provided for
19 in (a) of this section, necessary to augment the management and opera-
20 tion of the railroad by the third-party contractor.

21 Sec. 42.40.090. DELEGATION. (a) The board shall by rule delegate
22 powers and duties necessary and appropriate for the management of the
23 daily affairs and operations of the authority to the chief executive
24 officer, subject to any requirement of board concurrence or authoriza-
25 tion imposed by the rules.

26 (b) Within 180 days of its establishment, the board shall by rule
27 delegate the following activities of the authority to the chief executive
28 officer or other executive official designated by the board, subject to
29 any board review of the activities as may be specified in the rules:

1 (1) leasing, granting easements in, issuing permits for the
2 use of, or conveying other interests that do not constitute a transfer
3 of the authority's entire interest in real property of the authority;

4 (2) establishment of specific rates, tariffs, divisions and
5 contract rate agreements;

6 (3) routine changes in service levels; and

7 (4) procurement.

8 (c) General or particular board authorization or concurrence is
9 required for the following:

10 (1) transfer of the authority's entire interest in real
11 property other than the execution of a release of a lien or satisfac-
12 tion of a mortgage after payment has been received;

13 (2) issuance of notes, debentures, or bonds;

14 (3) mortgaging or pledging of authority assets;

15 (4) donation of money, property, or other assets belonging to
16 the authority;

17 (5) an action by the authority as a surety or guarantor;

18 (6) capital projects with an estimated completion cost in
19 excess of \$250,000 or an estimated completion time of more than one year;

20 (7) adoption of the long-range program and capital improve-
21 ment plans under AS 42.40.325;

22 (8) certification of annual reports under AS 42.40.310;

23 (9) generally applicable, comprehensive increases and de-
24 creases in rates other than those periodically approved by the United
25 States Interstate Commerce Commission for application to rail carriers
26 generally;

27 (10) diversification and major expansion or reduction of
28 services beyond those provided on the date of transfer or as provided
29 under this chapter;

- 1 (11) the exercise of the power of eminent domain;
- 2 (12) expansion of main or branch lines, other than routine
- 3 track realignment as necessary to maintain service levels in effect on
- 4 the date of transfer; and
- 5 (13) selection of independent auditors and accountants.

6 ARTICLE 2. ADMINISTRATIVE PROVISIONS.

7 Sec. 42.40.200. CONFLICTS OF INTEREST. (a) Except as provided in
8 this section, a board member or employee of the authority may not parti-
9 cipate in a decision of the authority in which he or a member of his
10 immediate family has a direct or indirect financial interest unless the
11 financial interest is a remote financial interest and participation is
12 approved under (b) of this section. For purposes of this section,
13 "participate in a decision" includes all discussions, deliberations,
14 preliminary negotiations, and votes concerning a matter that is the
15 subject of formal action by the board.

16 (b) A board member or employee may participate in a decision if he
17 or a member of his immediate family has only a remote interest and if
18 the fact and extent of the interest is disclosed to the board in a
19 public meeting and is noted in the minutes of the board before any
20 participation by the member or employee in the decision, and thereafter
21 in a public meeting the board authorizes or approves the participation
22 by a vote of its membership excluding the interested member or employee.
23 As used in this subsection, "remote interest" means

- 24 (1) that of a nonsalaried officer of a nonprofit corporation;
- 25 (2) that of an employee or agent of a contracting party when
- 26 the compensation of the employee or agent consists entirely of fixed
- 27 wages or salary and the contract is awarded by bid or by other competi-
- 28 tive process;
- 29 (3) that of a landlord or tenant of a contracting party,

1 except when the property subject to the lease or sublease is owned or
2 managed by the authority;

3 (4) that of a holder of less than one percent of the shares
4 of the corporation or cooperative that is the contracting party;

5 (5) that of an owner of a savings and loan account or bank
6 savings or share account or credit union deposit account if the interest
7 represented by the account is less than two percent of the total de-
8 posits held by the institution; or

9 (6) other interests that in good faith are defined as remote
10 by rules or regulations adopted by the authority.

11 (c) A board member or employee is not considered to be financially
12 interested in a decision when the decision could not affect him in a
13 manner different from its effect on the public or community.

14 (d) An action, including the award of a contract, in which a board
15 member or employee participates in violation of this section or AS 39.-
16 50.090 is void if the board member's vote or employee's participation
17 was necessary to the decision. If a board member votes or an employee
18 participates in a decision in violation of this section or AS 39.50.090
19 and his vote or participation is not necessary to the decision, the
20 board may ratify the action after disclosure of the violation in a
21 public meeting of the board and without participation by the interested
22 member or employee in the decision to ratify. A board member or employee
23 who violates a prohibition contained in this section or in AS 39.50
24 forfeits his office upon a determination by the board in a public meeting
25 that the violation was intentional.

26 (e) The executive officials and board members of the authority are
27 subject to AS 39.50.

28 (f) Within 120 days of the first meeting of the board, the board
29 shall adopt and may subsequently amend rules and regulations implementing

1 this section, providing additional conflict of interest and ethical
2 rules and regulations as it considers appropriate, and providing for the
3 removal by the board of a board member or employee who intentionally
4 violates a prohibition contained in this section or in AS 39.50.

5 Sec. 42.40.210. PUBLIC BOARD MEETINGS. (a) The meetings of the
6 board are public, with the exception of executive sessions permitted by
7 AS 44.62.310 and (b) of this section.

8 (b) In addition to those subjects which may be discussed in execu-
9 tive session under AS 44.62.310, the board may consider in executive
10 session matters that pertain to personnel, the authority's legal posi-
11 tion, land acquisition or disposal, or proprietary information, as
12 defined in a manner consistent with the standards and practices of the
13 United States Interstate Commerce Commission for protection of the
14 information including but not limited to proprietary information associ-
15 ated with specific shippers, divisions, and contract rate agreements.

16 Sec. 42.40.220. MINUTES OF MEETINGS. The board shall keep minutes
17 of each meeting and shall send a certified copy of the minutes of the
18 public portion of each meeting to the governor and the leadership of the
19 legislature.

20 Sec. 42.40.230. ADMINISTRATIVE PROCEDURE. (a) Except for AS 44.-
21 62.310 regarding public meetings, as limited by AS 42.40.210(b), the
22 Administrative Procedure Act (AS 44.62) does not apply to the authority,
23 its rules, regulations, or actions taken under this chapter. The author-
24 ity shall make available to members of the public copies of the rules
25 and regulations adopted under this section. Within 45 days after adop-
26 tion, the chairman of the board shall submit a regulation adopted under
27 this section to the chairman of the Administrative Regulation Review
28 Committee under AS 24.20.400 - 24.20.460. The legislature may annul or
29 temporarily suspend a regulation adopted by the authority.

1 (b) The board shall adopt rules and regulations to govern its pro-
2 cedures and to carry out the purposes of this chapter. Within 90 days
3 after its first meeting the board shall adopt rules establishing a pro-
4 cedure for giving advance public notice and an opportunity for the public
5 to comment on proposed regulations of the authority that, in the deter-
6 mination of the board, will have a substantial impact on the public or
7 be used in the authority's dealings with a significant segment of the
8 public. The rules shall also provide for the adoption of emergency
9 regulations without public notice and comment when the immediate adoption
10 or repeal of a regulation is necessary to continue or reinstate the
11 orderly operation of the authority's facilities or programs. However,
12 emergency regulations may not remain in effect more than 120 days unless
13 during that period the board complies with the public notice and comment
14 procedure required for regulations that are not of an emergency nature.

15 (c) The rules adopted under (b) of this section establishing a
16 regulation-making procedure and all rules or regulations relating to
17 procurement of property by the authority, conflicts of interest, dis-
18 closure of information in the possession of the authority, or the regula-
19 tion of persons outside the authority through the exercise of police
20 power shall be submitted to the attorney general for review and approval
21 before becoming effective. The attorney general shall respond to the
22 authority within 60 days after receipt of the rules or regulations
23 either approving them as consistent with or disapproving them as in
24 conflict with the Alaska Statutes and the Constitution of the State of
25 Alaska. A disapproval of rules or regulations must be accompanied by a
26 memorandum of law explaining the conflict with existing law and a recom-
27 mendation for revisions to cure the defect. Rules or regulations sub-
28 mitted to the attorney general are considered approved if the attorney
29 general fails to approve or disapprove the rules or regulations, as pro-

1 vided in this subsection, within 60 days after receipt.

2 (d) A regulation is not subject to the procedures in (b) of this
3 section if it is one that

4 (1) relates to the use of public works, including terminal
5 areas, industrial reserves, rights-of-way and streets, under the juris-
6 diction of the authority if the effect of the regulation is indicated to
7 the public by means of signs or signals;

8 (2) is directed to a specifically named person or to a group
9 of persons and does not apply generally throughout the state;

10 (3) concerns service schedules of the railroad; or

11 (4) relates to specific tariffs, divisions, and contract rate
12 agreements.

13 (e) The authority is an agency of the state for purposes of juris-
14 dictional determinations and judicial review of the authority's action.

15 Sec. 42.40.240. PUBLIC DISCLOSURE OF INFORMATION. (a) Except as
16 provided by rule or regulation of the authority under this section,
17 facts and information in the possession of the authority are public and
18 communications, reports, files, books, accounts, and papers of every
19 nature in its possession are open to public inspection at reasonable
20 times.

21 (b) The authority may by rule or regulation designate and withhold
22 disclosure of matters of a nonpublic, privileged, or proprietary nature.
23 Those matters include but are not limited to personnel records, communi-
24 cations with and work product of counsel and, consistent with the stan-
25 dards and practices of the United States Interstate Commerce Commission
26 for the protection of these matters, other information including but not
27 limited to proprietary information associated with specific shippers,
28 divisions, and contract rate agreements.

29 (c) A person may make written objections to the public disclosure

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ained in an application, report, or document filed
, stating the grounds for the objection. When an
, the board may order the information withheld from
public disclosure if the information

(1) would adversely affect the interest of that person and is
not required in the interest of the public; or

(2) may be protected from disclosure consistent with the
standards and practices of the United States Interstate Commerce Commis-
sion including but not limited to proprietary information associated
with specific shippers, divisions and contract rate agreements.

ARTICLE 3. POWERS AND DUTIES.

Sec. 42.40.300. GENERAL POWERS. The authority may


- (1) adopt a seal;
- (2) adopt rules and regulations;
- (3) sue and be sued;
- (4) appoint officers, employees, trustees, and agents, and
prescribe their powers and duties;
- (5) hire legal counsel to represent the authority;
- (6) make contracts and execute instruments necessary or
convenient in the exercise of its powers and duties;
- (7) acquire by purchase, lease, bequest, devise, gift, ex-
change, the satisfaction of debts, the foreclosure of mortgages, or
otherwise, real or personal property, rights, rights-of-way, franchises,
easements, and other interests in land, including land lying under water
and appropriation of water rights that are located in the state, taking
title to the property in the name of the authority;
- (8) acquire property by eminent domain or by declaration of
taking;
- (9) hold, maintain, use, operate, lease, exchange, donate,

1 improve, convey, alienate, dispose of, mortgage, encumber, and otherwise
2 grant security interests in or transfer any real or personal property
3 including without limitation facilities and equipment;

4 (10) borrow money and issue its bonds or notes and provide for
5 and secure their payment, provide for the rights of their holders and
6 purchase, hold, or dispose of its bonds or notes;

7 (11) secure the payment of its obligations by pledge or mort-
8 gage or other lien on its contracts, revenues, income, or property;

9 (12) contract with and accept transfers, gifts, grants or
10 loans of funds or property from the United States, the state, and its
11 political subdivisions, subject to the provisions of federal, state, or
12 local programs;

13  (13) acquire, hold and dispose of stocks, memberships, con-
14 tracts, bonds, general or limited partnership interests or other inter-
15 ests in another corporation, association, partnership, joint venture or
16 other legal entity, and exercise the powers or rights in connection with
17 these interests which are provided in contracts or agreements and that
18 are allowed by law concerning the satisfaction of debts;

19 (14) undertake or provide for the management, operation,
20 maintenance, use, and control of all of the properties of the Alaska
21 Railroad including without limitation, the tracks, equipment and other
22 property transferred to it by the federal government or by any person;

23 (15) undertake or provide for the acquisition, construction,
24 maintenance, equipping, and operation of connecting, switching, term-
25 inal, or other railroads and railroad facilities in the state;

26 (16) recommend to the legislature and the governor any tax,
27 financing, or security measure the authority considers appropriate for
28 maximizing the public interest in the operation of the railroad;

29 (17) lend its funds, property, credit or services for author-

1 ity purposes;

2 (18) consent to the modification of the rate of interest, time
3 of payment of an installment of principal or interest, or other term of
4 a loan, contract, or agreement to which the authority is a party;

5 ~~18~~ (19) include in any borrowing the amounts necessary to estab-
6 lish reasonable reserves and pay financing charges and interest on the
7 obligations for a reasonable period after which the authority estimates
8 funds will be otherwise available to pay the interest, consultant,
9 advisory, and legal fees, and other expenses necessary or incident to
10 borrowing;

11 (20) maintain offices and facilities at places it designates;

12 (21) purchase the authority's bonds at a price not more than
13 the principal amount of them plus interest;

14 (22) cancel bonds purchased under (21) of this section;

15 (23) apply to the appropriate agencies of the state, the
16 United States, and to a foreign country and other proper agencies for
17 the permits, licenses, or approvals necessary to construct, maintain,
18 and operate transportation services, and to obtain, hold, and reuse the
19 licenses and permits in the same manner as other operating units or
20 persons;

21 (24) prescribe rates to be charged for services provided by
22 the Alaska Railroad;

23 (25) determine the routes, schedules, and types of service to
24 be provided by the Alaska Railroad;

25 (26) enter into contracts, leases, and other agreements with
26 connecting carriers, shippers, and other persons concerning the ser-
27 vices, activities, operations, properties and facilities of the rail-
28 road, including contracts, leases and other agreements that contain
29 provisions intended to preserve and expand the railroad's traffic base;