

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982 00/2

2132 HT SB 212 - SB 824

2132

1 (27) plan for and undertake expansion of the railroad and
2 railroad activities, including extension of the Alaska Railroad's rail
3 system ^{and ~~acquisition~~ *and other modes through them*} and acquisition and operation of other modes of transportation
4 service connecting to the railroad's rail service;

5 (28) adopt regulations having the force of law that are de-
6 signed to safeguard property owned, managed, or transported by the
7 authority, to protect employees and persons using the authority's prop-
8 erty or services, and to promote safe, healthy, secure, and effective
9 railroad operations;

10 (29) maintain a security force to enforce state law and the
11 authority's regulations;

12 (30) adopt rules and regulations having the force of law that
13 require designated classes of proprietary and personnel information and
14 communications to be confidential;

15 (31) hire and discharge railroad personnel and determine
16 benefits and other terms and conditions of employment established in
17 accordance with obligations that may be imposed by the federal transfer
18 legislation;

19 (32) assume and satisfy liabilities of the United States or
20 its agencies as provided by the federal transfer legislation and the
21 closing report, or its substantive equivalent, as accepted by the legis-
22 lature; and

23 (33) do all things necessary, convenient or desirable to carry
24 out the powers and duties expressly granted or necessarily implied in
25 this chapter or under other laws of the state or the laws and regula-
26 tions of the federal government.

27 Sec. 42.40.310. ANNUAL REPORT. The board shall direct preparation
28 of, certify and distribute to the governor and to each member of the
29 legislature by February 1 of each year a report generally describing the

1 operations and financial condition of the authority. The board may
2 include in the report suggestions for legislation relating to the struc-
3 ture, powers, or duties of the authority or relating to the operation of
4 facilities of the authority.

5 Sec. 42.40.320. ANNUAL AUDIT. The board shall have the financial
6 records of the authority audited annually by an independent certified
7 public accountant experienced in railroad accounting. The authority
8 shall, at all times during normal business hours and as often as the
9 governor's auditor or the legislative audit division considers neces-
10 sary, make available to an auditor appointed by the governor or to the
11 legislative audit division for examination all of its financial records,
12 and shall permit the auditor appointed by the governor or the legislative
13 audit division to audit, examine and make excerpts or transcripts from
14 the records, and to make audits of all contracts, invoices, materials,
15 payrolls, records of personnel, conditions of employment, provision of
16 services and the rates at which the services are provided and other
17 relevant data; disclosure of this information is subject to AS 42.40.240
18 and rules and regulations implementing that section.

19 Sec. 42.40.325. LONG-RANGE PROGRAM AND CAPITAL IMPROVEMENT PLANS.

20 (a) The authority shall prepare and the board shall adopt a long-range
21 program plan and a capital improvement plan in accordance with sec. 10
22 of this Act.

23 (b) The long-range program plan must delineate the manner in which
24 the authority intends to accomplish the purposes of and fulfill its
25 responsibilities under this chapter during each of the five years after
26 the plan is adopted. The long-range program plan shall provide infor-
27 mation substantially consistent with the requirements of AS 37.07.050;
28 the format of the plan must be jointly determined by the authority, the
29 legislative audit division, and the division of budget and management,

1 Office of the Governor.

2 (c) The long-range capital improvement plan must present and
3 explain the authority's anticipated capital improvements for each the
4 five years after the plan is adopted. The long-range capital improve-
5 ment plan must include the information required by AS 42.40.600(b)
6 together with any other information prescribed by the governor or the
7 legislative audit division.

8 (d) The authority shall annually revise and the board shall adopt
9 the plans required in this section.

10 (e) The authority shall provide copies of its plans to the gover-
11 nor and [the leadership of] the legislature.

12 (f) The governor and the legislative audit division may conduct an
13 annual performance and efficiency audit in accordance with sec. 10 of
14 this Act.

15 Sec. 42.40.330. USE OF AUTHORITY ASSETS. (a) The authority shall
16 apply all money, property, other assets, and credit of the authority
17 toward activities authorized by this chapter. The authority may not
18 issue shares of stock, pay dividends, make private distribution of
19 assets, make loans to board members or employees, or engage in business
20 for private benefit. The use of authority money, property, other assets,
21 or credit for purposes not authorized by law by persons having the
22 possession or control of it is prohibited.

23 (b) Notwithstanding the provisions of this section, the authority
24 may

25 (1) assist board members and employees as members of a general
26 class of persons to be assisted by an activity to the same extent as
27 other members of the class and as long as no special privileges or
28 treatment accrues to the member or employee by reason of his status or
29 position in the authority;

1 (2) return to board members and employees fees, dues, or
2 service charges originally contributed by them and surplus to the pur-
3 poses for which collected;

4 (3) defend and indemnify a current or former employee, agent,
5 or board member of the authority and their successors against all costs,
6 expenses, judgments, and liabilities, including attorney fees, reasonably
7 incurred by or imposed upon him in connection with a civil or criminal
8 action in which he is involved because of his affiliation with the
9 authority, if he was acting in good faith on behalf of the authority and
10 within the scope of his duties or powers; and

11 (4) purchase insurance to protect and hold personally harm-
12 less its employees, agents, and board members from an action, claim, or
13 proceeding instituted against these individuals arising out of the
14 performance, purported performance, or failure of performance, in good
15 faith, of duties for, or employment with, the authority and to hold
16 these individuals harmless from expenses connected with the defense,
17 settlement, or monetary judgments from that action, claim, or proceed-
18 ing; the purchase of insurance and its policy limits are discretionary
19 with the board and insurance is not considered to be compensation to the
20 insured individual.

21 ARTICLE 4. RAIL PROPERTIES.

22 Sec. 42.40.400. RAIL PROPERTIES. (a) The authority shall receive
23 from the United States and, in its own name, take title to all rail
24 properties transferred under the federal transfer legislation. All land
25 among the rail properties so transferred or otherwise acquired by the
26 authority is subject to AS 38.95.010 and is not subject to classifi-
27 cation, control or disposal under AS 38 or other state law, except as
28 otherwise specifically provided in this chapter.

29 (b) Within 120 days after transfer of the rail properties, the

1 authority shall convey to the state the subsurface estate of and the
2 mineral rights in the land among the rail properties. The conveyance
3 shall be made by one or more quitclaim deeds executed by the chief execu-
4 tive officer and delivered to the commissioner of natural resources. The
5 authority may reserve in each quitclaim deed the right to extract and use
6 for the authority's purposes sand, gravel, other construction materials
7 and, in accordance with AS 42.40.410(g), coal on the subject land. The
8 interest retained by the authority after conveyance to the state under
9 this subsection entitles it to exclusive use and control of the surface,
10 complete subjacent and lateral support of the surface, and the right to
11 tunnel, ditch, recontour, excavate and otherwise use the subsurface for
12 railroad, transportation, transmission, and related purposes.

13 (c) The authority may litigate, compromise, and otherwise settle
14 claims related to the transfer of rail properties from the United States
15 and to recover for breach of warranties made or other obligations assumed
16 by the United States or other party in relation to the transfer or
17 status of the rail properties.

18 (d) The authority may submit applications on its own behalf as an
19 instrumentality of the state for acquisition of interests in federal
20 land available under federal law that will enhance the operations of the
21 authority and may receive conveyances of all interests in its own name.

22 (e) The authority, as an agency of the state, may acquire in its
23 own name from the United States under the Surplus Property Act (50 App.
24 U.S.C. 1622 et seq.), the Federal Property and Administrative Services
25 Act of 1949 as amended (40 U.S.C. 471 et seq.), or other law, property
26 under the control of a federal department or agency that is useful for
27 the authority's purposes and may acquire from the Department of Admin-
28 istration property of the state made available under AS 44.71.010 -
29 44.71.040.

1 (f) Before disposing of an interest in real property, other than a
2 leasehold, a utility or access easement, or a land use permit, to a party
3 other than the state, the authority shall give public notice of the dis-
4 position in two newspapers of general circulation. The authority shall
5 make copies of the notice available to the public at its administrative
6 office, and mail copies of the notice to the commissioner of natural
7 resources, the governor, and [the leadership of] the legislature.

8 Sec. 42.40.410. CLASSIFICATION, ACQUISITION, AND USE OF STATE LAND
9 FOR RAILROAD PURPOSES. (a) The board by resolution may identify land
10 owned by or subject to selection by the state, including tide and sub-
11 merged land, as necessary or useful for present or intended railroad
12 purposes. The resolution must include a statement of and justification
13 for the present or intended railroad use and the date when the use
14 should begin. Upon submission of the resolution and a request for
15 classification and conveyance to the commissioner of natural resources,
16 the commissioner may temporarily classify and reserve the land identi-
17 fied in the request for railroad purposes and may temporarily vacate a
18 classification allowing disposal or lease of that land under laws or
19 programs of the state. A temporary classification and vacation is
20 subject to valid existing rights.

21 (b) Within 180 days after receiving the request, the commissioner
22 of natural resources by departmental order shall

23 (1) permanently classify the surface estate of that land for
24 railroad purposes and, subject to valid existing rights, convey the
25 state's interests in and to the surface estate of the land to the autho-
26 rity;

27 (2) deny the classification and conveyance as not in the best
28 interest of the state; or

29 (3) approve in part and deny in part the request for classi-

1 fication under this section.

2 (c) In the absence of a reservation to the contrary, a conveyance
3 under (b) of this section vests in the authority the exclusive right to
4 extract and use for its purposes sand, gravel, other construction mater-
5 ials, and, in accordance with (g) of this section, coal on the land con-
6 veyed without regard to the classification of the resources as part of
7 the surface or subsurface estate.

8 (d) The authority and the commissioner of natural resources may
9 agree to joint management of railroad land and to conditions for classi-
10 fication of railroad land. The authority and the commissioner of natural
11 resources may agree to periodic joint review of state land to determine
12 suitability for railroad purposes and periodic joint review of the
13 status of railroad land to determine the necessity for continued owner-
14 ship by the authority. The authority may reconvey to the state land
15 that the authority and the commissioner of natural resources jointly
16 identify as unnecessary or unsuitable for the authority's purposes.

17 (e) The authority's ownership of a surface interest in state land
18 entitles it to exclusive use and control of the surface, complete sub-
19 jacent and lateral support of the surface, and the right to tunnel,
20 ditch, recontour, excavate or otherwise use the subsurface for railroad,
21 transportation, transmission, and related purposes.

22 (f) When physical conditions require that track or other right-of-
23 way fixtures of the authority be moved from the existing location and
24 relocated on state-owned land adjacent to or in the vicinity of the
25 existing right-of-way, and the chief executive officer determines that
26 relocation is necessary to maintain safe and adequate rail operations,
27 the authority may effect the relocation after notice to the Department
28 of Natural Resources. The relocation must be limited to land adequate
29 to restore or continue safe rail operations at a normal level. Within

1 45 days after a relocation under this subsection, the authority shall
2 request classification and conveyance of the land for railroad purposes
3 in accordance with (a) of this section.

4 (g) Before the authority extracts coal on lands in which it owns
5 an interest, as authorized by AS 42.40.400(b) and (c) of this section,
6 it shall submit a request for authorization to do so to the Department
7 of Natural Resources. Within 45 days after receiving the request, the
8 Department of Natural Resources shall approve the request if it deter-
9 mines that the coal to be extracted is located on lands in which the
10 authority owns an interest and is not subject to existing rights of a
11 third party. The state holds title to all coal on lands in which the
12 authority owns an interest until the coal is extracted from the land by
13 the authority under this subsection or otherwise disposed of in accor-
14 dance with AS 38.05.150 and AS 42.40.415. The authority may use coal
15 made available to it under this chapter for operational, non-income
16 producing purposes only, including the generation of power to support
17 operations and in-kind compensation to a person with whom the authority
18 contracts to extract coal.

19 Sec. 42.40.415. DEVELOPMENT OF OIL, GAS, MINERALS, AND GEOTHERMAL
20 RESOURCES ON AUTHORITY LAND. (a) The Department of Natural Resources,
21 in accordance with AS 38.05, may lease or otherwise develop oil, gas,
22 minerals, and geothermal resources located on land in which the author-
23 ity owns an interest, including a surface interest, only upon satisfac-
24 tion of the following conditions:

25 (1) the Department of Natural Resources submits to the author-
26 ity a request for authorization identifying the interest to be developed
27 and describing with specificity the proposed plan for development of the
28 interest, potential negative effects the proposed development may have
29 on the authority's operations, and measures that will be used to avert

1 or mitigate the effects;

2 (2) the authority reviews the request for authorization and,
3 after considering potential negative effects and proposed mitigation
4 measures, determines that the plan of development presents no appreci-
5 able risk of interference with the operations of the authority;

6 (3) the Department of Natural Resources and the authority
7 agree upon a suitable requirement that the lessee or party other than
8 the state undertaking the development reimburse the authority from the
9 proceeds of the development for costs incurred by the authority and
10 materials lost by the authority as a result of the development; and

11 (4) the authority issues to the Department of Natural Re-
12 sources a written authorization to proceed with the plan for lease or
13 development; the authority may not unreasonably withhold its consent to
14 a request for authorization submitted by the Department of Natural
15 Resources under this section.

16 (b) The Department of Natural Resources shall require a party
17 other than the state exercising rights under this section to post a
18 surety bond in an amount sufficient to secure the authority against
19 potential detrimental effects of the activity undertaken.

20 (c) The Department of Natural Resources shall maintain an accurate
21 record of all income received by the state from the land in which the
22 authority has an interest and of the value of all subsurface estates con-
23 veyed by the authority to the state. The Department of Natural Resources
24 shall prepare a yearly summary of the income and subsurface value and sub-
25 mit it to the legislature and the authority before March 15 of each year.

26 (d) There is established in the state treasury the Alaska Railroad
27 income fund. All income received by the state from lands in which the
28 authority has an interest shall be deposited into the fund. The fund is
29 subject to appropriation by the legislature.

1 Sec. 42.40.420. LAND USE REGULATION. The board may adopt exclu-
2 sive regulations governing land use by private parties having interests
3 in or permits for land owned or managed by the authority. The power
4 conferred by this section is exercised for the common health, safety,
5 and welfare of the public and, to the extent constitutionally per-
6 missible, may not be limited by the terms and conditions of leases,
7 contracts, or other transactions with private parties.

8 Sec. 42.40.430. EMINENT DOMAIN AND ACQUISITION OF PROPERTY AND
9 MATERIALS. (a) The authority may exercise the power of eminent domain
10 under AS 09.55.240 - 09.55.460 to acquire land or an interest in land
11 for lawful purposes consistent with this chapter.

12 (b) The authority may acquire a fee simple title whenever, in the
13 judgment of the authority, ownership of a fee simple is necessary to
14 carry out the authority's lawful purposes in condemning property. When
15 the authority acquires a fee simple, it shall as soon as practicable
16 reconvey the subsurface estate to the state by a quitclaim deed.

17 (c) The authority may file a declaration of taking, under AS 09.-
18 55.420 - 09.55.460, in the same manner and with the same effect as the
19 state.

20 (d) The authority's power of eminent domain includes, without
21 limitation, the power to obtain material, including clay, gravel, sand,
22 or rock, the land necessary to obtain the material, and access to the
23 land and material.

24 (e) The authority may vacate land, or part of it, or rights in
25 land acquired for railroad purposes by executing and filing a deed in
26 the appropriate recording district. Upon filing of the deed, title
27 reverts to the State of Alaska, if compensation has been paid.

28 ARTICLE 5. FINANCIAL PROVISIONS.

29 Sec. 42.40.500. BONDS AND NOTES. (a) The authority, by resolu-

1 tion of the board, may issue bonds and bond anticipation notes to provide
2 money to carry out its purposes.

3 (b) The principal and interest on the bonds or notes of the autho-
4 rity are payable from money or assets of the authority. Bond anticipa-
5 tion notes may be payable from the proceeds of the sale of bonds or from
6 the proceeds of sale of other bond anticipation notes or, if bond or
7 bond anticipation note proceeds are not available, the notes may be paid
8 from other money or assets of the authority. Bonds or notes may be
9 additionally secured by a pledge of a grant or contribution or other
10 property from the federal government, the state or any of its political
11 subdivisions, or a corporation, association, institution, or person, or
12 a pledge of money, income, or revenues of the authority from any source.

13 (c) Bonds or bond anticipation notes may be issued in one or more
14 series and shall be dated, bear interest (fixed or variable) at the rate
15 or rates per year or within the maximum rate, be in the denomination, be
16 in the form, either coupon or registered, carry the conversion or regis-
17 tration provisions, have the rank of priority, be executed in the manner
18 and form, be payable from the sources in the medium of payment and place
19 or places inside or outside the state, be subject to authentication by a
20 trustee or fiscal agent, and be subject to the terms of redemption with
21 or without premium, as the resolution of the board may provide. Bond
22 anticipation notes mature at the time or times determined by the board.
23 Bonds mature at the time, not exceeding 50 years from their date,
24 determined by the board. Before the preparation of definitive bonds or
25 bond anticipation notes, the authority may issue interim receipts or
26 temporary bonds or bond anticipation notes, with or without coupons,
27 exchangeable for bonds or bond anticipation notes when these definitive
28 bonds or bond anticipation notes have been executed and are available
29 for delivery.

1 (d) Bonds or bond anticipation notes may be sold in the manner, on
2 the terms, and at the price the board determines.

3 (e) If an officer whose signature or a facsimile of whose signa-
4 ture appears on bonds or notes or coupons attached to them ceases to be
5 an officer before the delivery of the bond, note, or coupon, his signa-
6 ture or facsimile is valid as if he had remained in office until deliv-
7 ery.

8 (f) Bond or bond anticipation note proceeds may not be dedicated to
9 activities other than those the board reasonably determines to be speci-
10 fically related to the purposes for which the instruments are issued.

11 (g) In a resolution of the board authorizing or relating to the is-
12 suance of bonds or bond anticipation notes, the board has power by provi-
13 sions in the resolution that will constitute covenants of the authority,
14 and contracts with the holders of the bonds or bond anticipation notes

15 (1) to pledge to a payment or purpose all or a part of its
16 revenues to which its right then exists or may later exist, and the
17 money derived from the revenues, and the proceeds of its bonds or notes;

18 (2) to covenant against pledging all or part of its revenues,
19 or against permitting or suffering a lien on the revenues or its prop-
20 erty;

21 (3) to covenant as to establishment of reserves or sinking
22 funds and the provision for and the regulation and disposition of the
23 reserves or sinking funds;

24 (4) to covenant with respect to or against limitations on a
25 right to sell or otherwise dispose of property of any kind;

26 (5) to covenant as to bonds and notes to be issued, and their
27 limitations, terms and conditions, and as to the custody, application
28 and disposition of the proceeds of the bonds and notes;

29 (6) to covenant as to the issuance of additional bonds or

1 notes, or as to limitations on the issuance of additional bonds or
2 notes and the incurring of other debts;

3 (7) to covenant as to the payment of the principal of or
4 interest on the bonds or notes, as to the sources and methods of pay-
5 ment, as to the rank or priority of the bonds or notes with respect to
6 a lien or security, or as to the acceleration of the maturity of the
7 bonds or notes;

8 (8) to provide for the replacement of lost, stolen, de-
9 stroyed, or mutilated bonds or notes;

10 (9) to covenant against extending the time for the payment
11 of bonds or notes or interest on bonds or notes;

12 (10) to covenant as to the redemption of bonds or notes and
13 privileges of their exchange for other bonds or notes of the authority;

14 (11) to covenant to create or authorize the creation of
15 special funds of money to be held in pledge or otherwise for operating
16 expenses, payment or redemption of bonds or notes, reserves or other
17 purposes, and as to the use and disposition of the money held in the
18 funds;

19 (12) to establish the procedure, if any, by which the terms
20 of a contract or covenant with or for the benefit of the holders of
21 bonds or notes may be amended or abrogated, the amount of bonds or
22 notes the holders of which must consent to amendment or abrogation, and
23 the manner in which the consent may be given;

24 (13) to covenant as to the custody of its properties or
25 investments, their safekeeping and insurance, and the use and disposi-
26 tion of insurance money;

27 (14) to vest in a trustee or trustees inside or outside the
28 state property, rights, powers, and duties in trust as the authority
29 may determine, that may include any or all of the rights, powers, and

1 duties of a trustee appointed by the holders of bonds or notes of the
2 authority, and to limit or abrogate the rights of the holders of the
3 bonds or notes of the authority to appoint a trustee under this chapter
4 or limit the rights, powers, and duties of the trustee;

5 (15) to pay the costs or expenses incident to the enforcement
6 of the bonds or notes or of the provisions of the resolution or of a
7 covenant or agreement of the authority with the holders of its bonds or
8 notes;

9 (16) to agree with an authority trustee that may be a trust
10 company or bank having the powers of a trust company inside or outside
11 the state as to the pledging or assigning of revenues or funds in which
12 the authority has any rights or interest; the agreement may further
13 provide for other rights and remedies exercisable by the trustee as may
14 be proper for the protection of the holders of bonds or notes of the
15 authority and not otherwise in violation of law and may provide for the
16 restriction of the rights of an individual holder of bonds or notes of
17 the authority;

18 (17) to appoint and provide for the duties and obligations of
19 a paying agent or other fiduciary as the resolution may provide inside
20 or outside the state;

21 (18) to limit the rights of the holders of bonds or notes of
22 the authority to enforce a pledge or covenant securing the bonds or
23 notes; and

24 (19) to make covenants other than and in addition to the
25 covenants expressly authorized in this section, of like or different
26 character, and to make the covenants to do or refrain from doing the
27 acts and things as may be necessary, or convenient and desirable, in
28 order to better secure bonds or notes or which, in the absolute dis-
29 cretion of the board, will tend to make bonds or notes more

1 marketable, notwithstanding that the covenants, acts, or things may not
2 be enumerated in this section.

3 Sec. 42.40.510. INDEPENDENT FINANCIAL ADVISOR. In negotiating the
4 private sale of bonds or bond anticipation notes to an underwriter, the
5 board shall retain a financial advisor who is independent from the under-
6 writer.

7 Sec. 42.40.515. VALIDITY OF PLEDGE. The pledge of assets or
8 revenues of the authority to the payment of the principal or interest on
9 bonds or notes of the authority is valid and binding from the time the
10 pledge is made, and the assets or revenues are immediately subject to
11 the lien of the pledge without physical delivery or further act. The
12 lien of a pledge is valid and binding against all parties having claims
13 of any kind in tort, contract, or otherwise against the authority,
14 irrespective of whether those parties have notice of the lien of the
15 pledge. Nothing in this section prohibits the authority from selling
16 assets subject to a pledge, except that a sale may be restricted by the
17 trust agreement or resolution providing for the issuance of the bonds or
18 notes.

19 Sec. 42.40.520. REMEDIES. A holder of bonds or notes or of coupons
20 attached to them issued under this chapter, and a trustee under a trust
21 agreement or resolution authorizing the issuance of the bonds or notes,
22 except as restricted by a trust agreement or resolution, either at law
23 or in equity, may enforce all rights granted under this chapter or under
24 the trust agreement or resolution, or under any other contract executed
25 by the authority under this chapter, and may enforce and compel the
26 performance of all duties required by this chapter or by the trust
27 agreement or resolution to be performed by the authority or by its board
28 members or employees.

29 Sec. 42.40.525. NEGOTIABLE INSTRUMENTS. Bonds and notes and

1 interest coupons attached to them issued under this chapter are nego-
2 tiable instruments under the laws of this state, subject only to appli-
3 cable provisions for registration.

4 Sec. 42.40.530. BONDS AND NOTES ELIGIBLE FOR INVESTMENT. Bonds
5 and notes issued under this chapter are securities in which all public
6 officers and public bodies of the state and its political subdivisions,
7 all insurance companies, trust companies, banking associations, invest-
8 ment companies, executors, administrators, trustees, and other fiduci-
9 aries may properly and legally invest money, including capital in their
10 control or belonging to them. These bonds and notes may be deposited
11 with a state or municipal officer of an agency or political subdivision
12 of the state for any purpose for which the deposit of bonds or notes of
13 the state is authorized by law.

14 Sec. 42.40.535. REFUNDING BONDS. (a) The authority may provide
15 for the issuance of refunding bonds for the purpose of refunding any
16 bonds then outstanding that have been issued under this chapter, in-
17 cluding the payment of any redemption premium on them and any interest
18 accrued or to accrue to the date of redemption of the bonds. The issu-
19 ance of the refunding bonds, the maturities and other details of them,
20 the rights of the holders of them, and the rights, duties, and obliga-
21 tions of the authority in respect to them are governed by the applicable
22 provisions of this chapter that relate to the issuance of bonds.

23 (b) Refunding bonds may be sold or exchanged for outstanding bonds
24 issued under this chapter and, if sold, the proceeds may be applied, in
25 addition to other authorized purposes, to the purchase, redemption, or
26 payment of the outstanding bonds. Pending the application of the pro-
27 ceeds of refunding bonds, with any other available money, to the payment
28 of the principal, accrued interest, and any redemption premium on the
29 bonds being refunded, and, if so provided or permitted in the resolution

1 authorizing the issuance of the refunding bonds or in the trust agree-
2 ment securing them, to the payment of any interest on the refunding
3 bonds and any expenses in connection with the refunding, the proceeds
4 may be invested in direct obligations of, or obligations the principal
5 of and the interest on which are unconditionally guaranteed by, the
6 United States of America, the State of Alaska, or other entities with
7 comparably rated credit that mature or that will be subject to redemp-
8 tion, at the option of the holders of them, not later than the respec-
9 tive dates when the proceeds, together with the interest accruing on
10 them, will be required for the purposes intended.

11 Sec. 42.40.540. CREDIT OF STATE NOT PLEDGED; REQUIRED DISCLAIMER.
12 Bonds and notes issued under this chapter do not constitute a debt,
13 liability, or obligation of the state or a pledge of the faith and
14 credit of the state or of a political subdivision of the state other
15 than the authority but are payable solely from the revenues or assets of
16 the authority. Each bond and note issued under this chapter must
17 contain on its face a statement that the authority is not obligated to
18 pay it nor the interest on it except from the revenues or assets pledged
19 for it and that neither the faith and credit nor the taxing power of the
20 state or of a political subdivision of the state other than the autho-
21 rity is pledged to the payment of the principal of or the interest on
22 the bond or note.

23 Sec. 42.40.545. NO PERSONAL LIABILITY. A board member or employee
24 of the authority is not subject to personal liability or accountability
25 because of his execution of bonds or notes or their issuance.

26 Sec. 42.40.550. REVENUES. Revenues generated by the authority do
27 not become part of the general fund of the state but are kept and
28 managed by the authority for purposes authorized by this chapter.

29 Sec. 42.40.555. INSURANCE. The authority shall keep in force

1 public liability insurance in an amount reasonably calculated to cover
2 potential claims for bodily injury, death or disability, and property
3 damage that may arise from or be related to its operations and activi-
4 ties, naming the state as an additional insured.

5 Sec. 42.40.560. SAFEGUARDING OF MONEY. The authority shall maxi-
6 mize revenues from and deposit all money in depositories acceptable to
7 the governor and otherwise safeguard the money under instructions as the
8 governor may from time to time issue.

9 Sec. 42.40.565. FIDELITY BOND. The authority shall obtain a
10 fidelity bond in an amount determined by the board for its members and
11 any official responsible for accounts and finances. A bond must be in
12 effect for the tenure in office of the bonded person.

13 Sec. 42.40.570. REVERSION OF ASSETS. If the authority ceases to
14 exist, for whatever reason, its assets revert to the state.

15 ARTICLE 6. STATE OVERSIGHT.

16 Sec. 42.40.600. STATE REVIEW. (a) The board shall notify the
17 governor and [the leadership of] the legislature before undertaking

18 (1) expansion, reduction, or diversification of services
19 provided by the railroad upon the date of transfer to the authority or
20 as provided under this chapter that the board determines would represent
21 a significant and permanent change in the level and nature of services
22 provided;

23 (2) extension of main or branch lines by more than 25 miles
24 or five percent of the railroad's total track mileage, whichever is
25 greater; or

26 (3) the issuance of securities, notes, bonds or contracts for
27 other borrowings with a term in excess of one year and in an amount
28 exceeding \$5,000,000.

29 (b) The notice required by (a) of this section must be in writing

1 and describe the proposed undertaking in detail, specifying

2 (1) its financial impact on the authority;

3 (2) its impact on the level and nature of services provided
4 by the authority;

5 (3) why the project is necessary or desirable to achieve the
6 purposes of this chapter; and

7 (4) whether and when the undertaking will be self-sustaining
8 financially.

9 (c) The notice required by (a) of this section shall be published
10 and given in the same manner as notice required under AS 42.40.060.

11 (d) Within 45 days after receipt of the notice required by (a) of
12 this section, the governor, in his sole discretion, may

13 (1) disapprove the proposed undertaking;

14 (2) suspend the proposed undertaking and direct that it not
15 be implemented until the legislature has reviewed it under (f) of this
16 section; or

17 (3) approve the proposed undertaking, in which case the
18 authority may proceed with the undertaking.

19 (e) A decision by the governor disapproving the proposed under-
20 taking under (d) of this section is binding on the authority, unless the
21 authority is directed by the legislature under AS 42.40.610 to proceed
22 with the proposed undertaking. If the governor suspends the proposed
23 undertaking under (d) of this section, he shall promptly transmit his
24 decision to the board and [the leadership of] the legislature in the form
25 of a recommendation that the legislature acquiesce in the proposed
26 undertaking or that the legislature reject the proposed undertaking.
27 The authority's proposed undertaking is considered approved if the
28 governor fails to act under (d) of this section within the prescribed
29 time.

1 (f) During a legislative session, within 60 days after receipt of
2 the governor's recommendation the legislature may, by law, reject the
3 proposed undertaking. The legislation is binding on the authority. The
4 proposed undertaking is considered approved if the legislature fails to
5 pass legislation rejecting it within the prescribed time.

6 (g) Notwithstanding the provisions of (a) - (f) of this section, a
7 proposed extension of main or branch lines by more than 50 percent of
8 the railroad's total track mileage and requiring the issuance of securi-
9 ties, notes, bonds, or contracts for other borrowings of an amount in
10 excess of \$50,000,000 or provision for the management and operation of
11 the railroad by a third-party contractor must be specifically authorized
12 by law.

13 (h) An undertaking described in (a) or (g) of this section is
14 considered approved or rejected for purposes of this section if

15 (1) the authority has been directed to act or refrain from
16 acting in accordance with AS 42.40.610; or

17 (2) the legislature by law has specifically approved the
18 undertaking by authorizing, appropriating financing for, or guaranteeing
19 the authority's borrowing for the proposed undertaking.

20 Sec. 42.40.610. ACTION-FORCING MECHANISM. (a) The governor or
21 the legislature, by resolution, may request that the authority exercise
22 or refrain from exercising its powers and authorities. Notice of a
23 request shall be given to the legislature by the governor and to the
24 governor by the legislature.

25 (b) To the greatest extent practicable within 30 days after
26 receipt of a request the board shall respond to both the governor and
27 the leadership of the legislature in writing specifying

28 (1) the manner in which it proposes to take the requested
29 action or any modification to the requested action sought by the author-

1 ity; or

2 (2) the specific reasons, financial, legal or otherwise, why
3 the board declines to take the requested action.

4 (c) At the request of the governor or on its own initiative, the
5 legislature by law may then direct the authority to take the requested
6 action or the legislature may act to cure the problem precluding the
7 authority from taking the requested action. If the authority is unable
8 to take the requested action for financial reasons, it is obligated to
9 do so, even if directed, only upon provision by the legislature of
10 sufficient money to plan and implement the action.

11 Sec. 42.40.615. INTERVENTION. (a) When authorized by law, the
12 governor as provided in the legislation shall intervene and exercise
13 such control over the authority as is necessary and appropriate to
14 correct a deficiency or to assure that the purposes of this chapter may
15 be reasonably accomplished, including directing affirmative action when

16 (1) the board has requested intervention by resolution;

17 (2) the authority has represented to the public or to credi-
18 tors that recourse may be had to the assets, property, or credit of the
19 state on account of acts or omissions of the authority, unless the
20 secondary or direct liability has been expressly assumed by the state;

21 (3) the authority has failed to file an annual report as
22 required by AS 42.40.310 within 120 days after receipt of formal notice
23 of the omission or has filed an annual report that is false or mislead-
24 ing on a material matter;

25 (4) a deadlock has occurred in the board, or the membership
26 of the board is insufficient to constitute a quorum for conduct of
27 affairs so that the authority is unable to conduct its operations or
28 perform its activities; or

29 (5) the assets of the authority have been or are committed to

1 be misapplied or wasted or illegally expended, or the authority has
2 committed or is about to commit a material violation of this chapter.

3 (b) The governor may take actions necessary to achieve the object
4 of the intervention stated in the legislation and make ancillary correc-
5 tions, and shall accomplish the purposes of the intervention as expedi-
6 tiously as reasonable. Board members and employees may not be dis-
7 placed nor the conduct of their duties impaired more than necessary to
8 accomplish the purposes of the intervention and the intervention must
9 cease as soon as the objective stated in the legislation and ancillary
10 corrections have been accomplished.

11 Sec. 42.40.620. TRUSTEESHIP. (F) When authorized by law, the
12 governor may petition the superior court of the State of Alaska for the
13 Third Judicial District at Anchorage to impose a trusteeship over the
14 authority and appoint the trustees if

15 (1) the board has requested imposition of the trusteeship by
16 resolution;

17 (2) the authority has become insolvent or otherwise unable to
18 carry out its contractual obligations to creditors and other persons;

19 (3) the authority has filed an annual report that is false or
20 deceptively misleading on a material matter;

21 (4) the authority has become incompetent or ineligible to
22 carry out the public purposes for which it was established;

23 (5) the authority has misused, abused, or continuously ex-
24 ceeded the power or authority conferred by this chapter or committed
25 repeated violations of this chapter;

26 (6) the assets of the authority have been or are committed to
27 be misapplied or wasted, or illegally expended, or a material violation
28 of this chapter has been committed or is about to be committed and the
29 governor has determined that intervention as provided in AS 42.40.615

1 would not be feasible under the circumstances; or

2 (7) the credit-worthiness of the state has been directly or
3 indirectly substantially impaired by actions of the authority.

4 (b) The trustees appointed by the superior court shall take rea-
5 sonable actions necessary during the trusteeship to achieve its object.
6 The trustees have the power and authority to reorganize the authority
7 and amend its rules and regulations; suspend or remove board members and
8 executive officials; manage the assets and affairs of the authority; and
9 exercise all powers necessary or appropriate to fulfill outstanding
10 agreements, to restore the capability of the authority to perform the
11 functions and activities for which it was established, to reinstate its
12 credit or credibility with its creditors or obligees or the credit of
13 the state or its credibility with its creditors or obligees to the
14 extent impaired by authority actions.

15 ARTICLE 7. MISCELLANEOUS PROVISIONS.

16 Sec. 42.40.700. PERSONNEL. (a) All personnel employed by the
17 Alaska Railroad are personnel of the authority, and not of the state.
18 The provisions of AS 39 do not apply to personnel employed by the author-
19 ity.

20 (b) For the purposes of the Public Employment Relations Act
21 (AS 23.40.070 - 23.40.260) the authority is considered a "public em-
22 ployer" within the meaning of that Act, except that AS 23.40.070(3) does
23 not apply to the authority, and the authority's employees are classified
24 as employees under AS 23.40.200(a)(1).

25 (c) The authority may not enter into any collective bargaining
26 agreement concerning wages, hours, working conditions or other employ-
27 ment terms, conditions and benefits with any organization representing
28 the authority's executive officials.

29 Sec. 42.40.710. POLITICAL ACTIVITIES. (a) Money, assets, or

1 property of the authority may not be used for partisan political activ-
2 ity or to further the election or defeat of a person seeking an elective
3 office. Money or a substantial part of the activities of the authority
4 may not be used for publicity or educational purposes designed to support
5 or defeat legislation pending before congress or the legislature.
6 However, board members and employees of the authority may communicate
7 with and appear before committees of congress or the legislature as well
8 as local legislative bodies in connection with financing and other
9 matters directly affecting the authority or its ability to carry out the
10 purposes for which it is established and respond to requests by members
11 of congress, the legislature, or local legislative bodies for informa-
12 tion, views, and testimony.

13 (b) A board member or employee who violates the provisions of this
14 section is personally subject to a civil penalty assessed by a judge of
15 the superior court in an amount not to exceed \$5,000. An action to
16 enforce this penalty may be brought by any person. A violation of this
17 chapter does not constitute a crime and assessment of the civil penalty
18 by a judge does not create any disability or legal disadvantage based on
19 conviction of a criminal offense.

20 Sec. 42.40.720. LICENSES AND PERMITS. Except as otherwise pro-
21 vided in this chapter, if the laws of a municipality, the state, or the
22 United States require a person to hold a license or permit to undertake
23 certain activities or perform an act, the authority, before under taking
24 the activity or performing the act, shall comply with the law to the
25 same extent the state is required to comply.

26 Sec. 42.40.730. UNAUTHORIZED REPRESENTATION. All persons who
27 assume to act for the authority without authority to do so are jointly
28 and severally liable for the debts and liabilities incurred.

29 Sec. 42.40.740. CLAIMS AGAINST THE AUTHORITY. (a) All claims and

1 lawsuits involving activities of the railroad, including without limita-
2 tion suits in contract, quasi-contract, or tort, shall be brought against
3 the authority, and not against the state.

4 (b) For the purposes of actionable claims, undertakings, payments
5 of judgments, execution, interest, punitive damages, statutes of limita-
6 tions, bonds, costs, and similar matters related to the presentation and
7 prosecution of claims by and against the authority, the authority and
8 its board members and employees enjoy the same rights, privileges, and
9 immunities as the state and state officers as provided in AS 09.10.120,
10 AS 09.50.250 - 09.50.290, AS 09.65.040, and other similar or related
11 statutes.

12 (c) Claims against the authority are not subject to the provisions
13 of AS 44.77.010 - 44.77.070 regarding claims against the state.

14 (d) The authority is not subject to the provisions of AS 44.80.-
15 010, regarding the state as a party to an action.

16 Sec. 42.40.755. EXEMPTION FROM TAXATION. (a) The real and per-
17 sonal property of the authority and its assets, income, and receipts are
18 declared to be the property of a political subdivision of the state and
19 devoted to an essential public and governmental function and purpose,
20 and the property, assets, income, and receipts are exempt from all taxes
21 and special assessments of the state or a political subdivision of the
22 state, including, without limitation, a borough, city, municipality,
23 school district, public utility district and other taxing unit. All
24 bonds of the authority are declared to be issued by a political sub-
25 division of the state and for an essential public and governmental
26 purpose and to be a public instrumentality and the bonds, and the
27 interest on them, the income from them and the transfer of the bonds,
28 and all assets, income, and receipts pledged to pay or secure the
29 payment of the bonds, or interest on them, are at all times exempt from

1 taxation by or under the authority of the state, except for inheritance
2 and estate taxes and taxes on transfers by or in contemplation of death.

3 (b) Nothing in this section affects or limits an exemption from
4 license fees, property taxes, or excise, income or other taxes, provided
5 under any other law, nor does it create a tax exemption with respect to
6 the interest of any business enterprise or other person, other than the
7 authority.

8 (c) For purposes of AS 14.17 relating to the computation of the
9 required local effort by a district as defined in AS 14.17.250(3),
10 property exempted from taxation by this chapter is considered taxable
11 real and personal property.

12 Sec. 42.40.770. PAYMENTS IN PLACE OF LOCAL REAL PROPERTY TAXATION
13 AND IMPACT AID. (a) To the extent feasible, without impairing the
14 authority's financial viability and consistent with sound business
15 principles, including but not limited to the operation of the railroad
16 on a self-sustaining basis, the need for capital accumulation, and
17 consistency with regulation by the United States Interstate Commerce
18 Commission, the authority may

19 (1) make voluntary payments to political subdivisions served
20 by the railroad or in which the authority has substantial land holdings
21 in place of local taxation of authority real property; and

22 (2) provide financial assistance to political subdivisions
23 and other local districts in the development of public education and
24 other facilities required to be developed as a result of expanded autho-
25 rity activities in the area.

26 (b) The board shall adopt regulations prescribing the conditions
27 under and the extent to which it will undertake to provide payments or
28 assistance, including, but not limited to

29 (1) the conditions cited in (a) of this section;

1 (2) the relative magnitude of the taxation effort deficit or
2 impact caused by authority activities in an area;

3 (3) the relative need among communities affected by authority
4 activities; and

5 (4) the present or anticipated benefits to the communities
6 attributable to authority activities.

7 ARTICLE 8. GENERAL PROVISIONS.

8 Sec. 42.40.870. ENFORCEMENT OF LAW AND AUTHORITY REGULATIONS BY
9 AUTHORITY SECURITY FORCE. Members of the security force maintained by
10 the authority under AS 42.40.300 may enforce state laws and regulations
11 adopted by the authority with respect to violations of the laws or
12 regulations that occur on or to property owned, managed or transported
13 by the authority. Members of the security force may exercise the same
14 enforcement powers granted by law to state law enforcement officers.

15 Sec. 42.40.880. PENALTY FOR VIOLATION OF DESIGNATED REGULATION.
16 A person who violates a regulation of the authority that has been desig-
17 nated by the authority as a regulation that is necessary to protect
18 life, health or property, is guilty of a class B misdemeanor.

19 Sec. 42.40.890. CONSTRUCTION. This chapter shall be liberally
20 construed to carry out its purposes.

21 Sec. 42.40.900. DEFINITIONS. In this chapter, unless the context
22 clearly indicates otherwise,

23 (1) "authority" means the Alaska Railroad Authority;

24 (2) "board" means the Board of Commissioners of the Alaska
25 Railroad Authority;

26 (3) "date of transfer" means the date on which the United
27 States Secretary of Transportation delivers the deed of conveyance for
28 the properties of the Alaska Railroad under the federal transfer legis-
29 lation;

1 (4) "employees" means all persons employed by the authority,
2 including executive officials;

3 (5) "executive officials" means the authority's chief execu-
4 tive officer, assistant chief executive officer, assistant to the chief
5 executive officer, chief of administration, superintendent of transpor-
6 tation, manager of marketing and sales, chief engineer, chief mechanical
7 officer, manager of industrial development and real estate, manager of
8 udget and accounting, manager of planning, manager of personnel,
9 manager of supply and procurement, chief of security, manager of operat-
10 ing rules, manager of data processing, or any employee of the authority
11 who fulfills these management functions under a different title or who
12 exercises a similar or comparable level of responsibility if so desig-
13 nated by the board;

14 (6) "federal transfer legislation" means that Act of Congress
15 authorizing transfer of the Alaska Railroad to the State of Alaska or
16 the authority;

17 (7) "immediate family" means

18 (A) spouse;

19 (B) dependent parent, parent-in-law, child, son-in-law,
20 or daughter-in-law; or

21 (C) a parent, parent-in-law, child, son-in-law, daugh-
22 ter-in-law, sibling, uncle, aunt, cousin, niece, or nephew residing
23 in the household of an officer or employee of the authority;

24 (8) "land" means all interests in real property, (including
25 tide and submerged land;)

26 (9) "leadership of the legislature" means the president of
27 the senate, the speaker of the house, the minority leaders of each
28 house, the chairmen of the senate and house transportation and finance
29 committees, the chairman of the legislative budget and audit committee

1 or jurisdictional successors or persons or offices designated by those
2 individuals;

3 (10) "rail properties" means all right, title, and interest of
4 the United States to real and personal property, tangible and intangible,
5 identified in the closing report prepared under the federal transfer
6 legislation and transferred to the authority under the legislation;

7 (11) "regulation" has the same meaning as under AS 44.62.640;

8 (12) "rules" means rules, standards, or written procedures
9 relating to the governance and internal management and affairs of the
10 authority or the board; rules may not be considered to be "regulations".

11 * Sec. 3. AS 09.55.310(a)(4) is amended to read:

12 (4) if the property sought to be condemned is for a railroad
13 other than one operated by the Alaska Railroad Authority, the cost of
14 good and sufficient fences along the line of the railroad, and the cost
15 of cattle guards where fences may cross the line of the railroad.

16 * Sec. 4. AS 09.55.350 is amended to read:

17 Sec. 09.55.350. TIME FOR PAYING COMPENSATION OR DAMAGES OR BOND TO
18 BUILD RAILROAD FENCES AND CATTLE GUARDS. The plaintiff shall, within 30
19 days after final judgment, pay the sum of money assessed. If the use is
20 for railroad purposes other than the purposes of the Alaska Railroad
21 Authority, the plaintiff may, at the time of or before the payment,
22 elect to build the fences and cattle guards. If he so elects, he shall
23 execute to the defendant a bond, with one or more sureties to be approved
24 by the court, in double the assessed cost of the same to build such
25 fences and cattle guards within eight months from the time the railroad
26 is built on the land taken. If the bond is given, the plaintiff need
27 not pay the cost of the fences and cattle guards. In an action on the
28 bond, the plaintiff may recover reasonable attorney fees.

29 * Sec. 5. AS 39.50.200(b) is amended by adding a new paragraph to read:

1 (46) members of the Board of Commissioners of the Alaska
2 Railroad Authority.

3 * Sec. 6. COMMENCEMENT OF LEGAL EXISTENCE OF ALASKA RAILROAD AUTHORITY.

4 The legal existence and authority of the Alaska Railroad Authority commences
5 upon appointment by the governor under AS 42.40.030 enacted in sec. 2 of this
6 Act of all members of the Board of Commissioners of the authority.

7 * Sec. 7. APPOINTMENT OF FIRST MEMBERS OF THE BOARD OF COMMISSIONERS.

8 (a) The governor shall designate the terms of the six public members of the
9 Board of Commissioners of the Alaska Railroad Authority first appointed under
10 AS 42.40.040. Of the six public members first appointed

11 (1) two shall serve a term of two years;

12 (2) one shall serve a term of three years;

13 (3) one shall serve a term of four years;

14 (4) two shall serve a term of five years.

15 (b) The governor may exercise the power of appointment under AS 42.-
16 40.030 only upon acceptance by the legislature by law of the closing report
17 or its substantive equivalent prepared and submitted under the federal trans-
18 fer legislation or upon approval by the legislature of operation of the
19 Federal Alaska Railroad by the authority.

20 * Sec. 8. CLOSING REPORT SUBMITTED UNDER FEDERAL TRANSFER LEGISLATION.

21 The closing report submitted under the federal transfer legislation must
22 include a statement of the assets and liabilities of the Alaska Railroad
23 proposed to be transferred to and assumed by the Alaska Railroad Authority or
24 the state which statement is as specific and definitive as practicable under
25 the federal transfer legislation. The legislature may accept or reject the
26 report and may not condition acceptance on its modification in any material
27 respect.

28 * Sec. 9. ASSETS AND LIABILITIES TO BE NOTED IN AUDIT. To the extent
29 practicable, for the five years following the date of transfer of the Alaska

1 Railroad to the state or the Alaska Railroad Authority the status of the
2 assets and liabilities specifically identified in the closing report sub-
3 mitted under the federal transfer legislation must be noted in the annual
4 audit.

5 * Sec. 10. INITIAL LONG-RANGE PROGRAM AND CAPITAL IMPROVEMENT PLANS. (a)
6 Within 18 months of the date of transfer of the Alaska Railroad to the state
7 or the Alaska Railroad Authority, the authority shall prepare and the Board
8 of Commissioners of the authority shall adopt a long-range program plan and a
9 capital improvement plan in accordance with AS 42.40.325.

10 (b) Beginning three years after the preparation of the long-range
11 program plan described in (a) of this section, the governor and the legisla-
12 tive audit division may conduct an annual performance and efficiency audit of
13 the authority's compliance with the plan.

14 * Sec. 11. PRE-EXISTING RULES, REGULATIONS AND ORDERS OF THE ALASKA
15 RAILROAD. The Board of Commissioners of the Alaska Railroad Authority, by
16 resolution, may continue in force for a period of not more than two years
17 after date of transfer all or part of the rules, regulations, and orders of
18 the Alaska Railroad which were in effect one day before the date of transfer
19 and are not inconsistent with this chapter or other state law. All authori-
20 ties continued in force under this section shall expire on the second
21 anniversary of the date of transfer. The Board of Commissioners may adopt in
22 its rules, regulations, and orders the substance of former federal authori-
23 ties relating to the Alaska Railroad. This adoption is not considered a
24 continuation of the federal authorities if made in compliance with the pro-
25 cedural requirements of this chapter and other applicable law.

26 * Sec. 12. COLLECTIVE BARGAINING AGREEMENT BETWEEN THE ALASKA RAILROAD
27 AUTHORITY AND EMPLOYEES. As soon as practicable after transfer of the
28 Alaska Railroad, the Alaska Railroad Authority and its employees shall
29 adopt collective bargaining agreements that continue the provisions of the

1 agreements in effect between the Alaska Railroad and its employees immediately
2 before transfer of the Alaska Railroad. The collective bargaining agreements
3 between the authority and its employees shall remain in effect until they
4 expire by their terms or, as required under the federal transfer legislation,
5 they are renegotiated, subject to the approval of the Board of Commissioners
6 of the Alaska Railroad Authority.

7 * Sec. 13. CONFLICTING LAWS INAPPLICABLE. If provisions of this Act are
8 in conflict with the provisions of other law, the provisions of this Act
9 prevail.

10 * Sec. 14. APPLICATION OF EXISTING STATUTES. (a) AS 19 does not apply
11 to the operations of the Alaska Railroad Authority.

12 (b) The Alaska Railroad Authority is considered a political subdivision
13 of the state for the purposes of AS 23.10.055.

14 (c) AS 23.10.420 does not apply to the operations of the Alaska Rail-
15 road Authority.

16 (d) AS 30.15 does not apply to the operations of the Alaska Railroad
17 Authority.

18 (e) AS Title 35 does not apply to the operation of the Alaska Railroad
19 Authority

20 (f) The following provisions of AS 37 do not apply to the operations
21 and budgeting procedures of the Alaska Railroad Authority: AS 37.05; AS 37.-
22 07; AS 37.10.010 - 37.10.060, 37.10.085; AS 37.20; and AS 37.25.

23 (g) The Alaska Railroad Authority is not subject to the jurisdiction of
24 the Alaska Transportation Commission.

25 (h) No subsequently enacted statute shall be interpreted or construed
26 to apply to the Alaska Railroad Authority, the Alaska Railroad, or any of the
27 authority's activities unless it specifically so provides by its terms.

28 * Sec. 15. EFFECTIVE DATE. This Act takes effect upon acceptance by the
29 Alaska State Legislature of the closing report submitted under the federal

1 transfer legislation enacted by Congress authorizing transfer of the Alaska
2 Railroad to the State of Alaska or the Alaska Railroad Authority or upon
3 approval by the legislature of operation of the Federal Alaska Railroad by
4 the Alaska Railroad Authority.

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STATE OF ALASKA
THE LEGISLATURE

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3811

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 7, 1981

SUBJECT: SB 219 -- Surface Transportation Projects

TO:

FROM: John B. Chenoweth
Legislative Counsel

The genesis of this bill is the limitation of Article II, section 13 of the state constitution by which "bills for appropriations shall be confined to appropriations", and the rather unsettling habit of the last few years to clothe appropriation bills with statements of intent, letters of intent and other devices in order to pin down the purpose and use of particular appropriations. So significant are the projects which are under consideration in SB 219 and SB 220 that, rather than provide the detail for authorization of the projects only in an appropriation bill, I developed two pieces of legislation, "confining the appropriation bill to appropriations" and adding all the details concerning use of the proceeds into a companion authorization. The appropriation is dependent on the authorization by its effective date clause.

SB 219: Secs. 1 - 5 amend provisions of law relating to roads built for resource development purposes by saying that these roads may be built for assistance in agricultural development. The material in Sec. 4 is responsive to your request for provisions by which to make the state transportation department the "lead" agency, and to waive major state permits that might hold up a road project. Related to this is the repealed in Sec. 10 (payment by land credit certificates). The companion appropriation bill provides money for one specific agricultural road project in the vicinity of Nenana.

Secs. 6 and 7 add a new "intermunicipal road" program for the construction of roads between settled communities which

would not be part of the federal system. Most of the provisions describe in some specificity just what is to be done, and who has legal responsibility. "Review and comment" and "permit waiver" provisions are included, and you should note the unique provision that requires all construction contracts relating to an intermunicipal road project to be released at the same time. Sec. 11 authorizes specific intermunicipal road projects to span Knik Arm between Anchorage and the Matanuska-Susitna Borough, north from Juneau to connect with Haines and Skagway, and between the Kuskokwim river communities of Bethel and Napakiak.

Secs. 8 and 9 add a parallel program for urban roads, that is, roads built wholly within one municipality without local government support (distinguishing them from matching programs and the local service roads program). There is no requirement in the urban road program that all contracts be awarded at the same time, but these are generally less extensive projects so there is likelihood that contracts for construction would be awarded to one party anyway. In all other respects, the urban program is similar to the intermunicipal road program. In Sec. 11, two urban road projects are authorized: Ketchikan and Kenai (North Kenai area).

Sec. 12 of the bill, uncodified, directs certain work to be performed to extend the Alaska railroad west from the interior to the general proximity of Nome/Kotzebue, and the alignment of a surface transportation corridor for the upper Colville area on the north side of the Brooks Range. The companion appropriation awards money for this project.

JBC:ljb

S B

2 2 2

Original sponsors: Sackett, Fahrenkamp,
Parr and Bennett

Offered: 3/18/81
Referred: Finance

Funding Information

General Fund \$500,000
Other Funds -0-
\$500,000

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR SENATE BILL NO. 222 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for
8 engineering and design of bridges and roads in the
9 Nenana agricultural area; and providing for an effec-
10 tive date."

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

12 * Section 1. The sum of \$500,000 is appropriated from the general fund
13 to the Department of Transportation and Public Facilities for engineering
14 and design of bridges and roads in the Nenana agricultural area.

Payment as a grant to the City of Nenana for

15 * Sec. 2. The appropriation made by this Act shall be disbursed in
16 accordance with AS 35.15.080 and 35.15.090.

17 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

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

Alaska Transportation Consultants, Inc.

PLANNERS & ENGINEERS

212 WEDGEWOOD DRIVE · SUITE C · FAIRBANKS, ALASKA 99701 · (907) 456-1967

March 2, 1981

The Honorable John B. Coghill
Mayor of the City of Nenana
City Hall
Nenana, Alaska

Dear Mayor:

We are pleased to have had the opportunity to work with you in the development of the agricultural potential within the Nenana area. I believe that your effort has proven exemplary and you have demonstrated that projects such as these can be fast-tracked and still be accountable to all concerned.

We are confident that you now wish to proceed as fast as practicable in completing this project. Bridge construction is a key element in staying with an accelerated schedule. It will be necessary to have it under construction next winter to take advantage of the winter ice for construction purposes. Roadways should be under construction as soon as possible to provide access during the 1982 growing season.

The next phase of this work is the design of the bridges and roadways. We have given this phase serious thought and of course would like to participate in it. Alaska Transportation Consultants, Inc. (ATC), Henningson, Durham & Richardson (HDR), and Kaljenco, Inc. are prepared to do this work as a joint effort. Within this team, Alaska Transportation Consultants, Inc. would be responsible for the overall project and would work with Kaljenco to develop a final road design and with HDR to develop a final bridge design. Kaljenco would be doing design surveying. Because each of these firms have intimate knowledge of the proposed project it is possible for us to provide design services at approximately three percent (3%) of the anticipated construction cost. This works out to be approximately \$519,000 and would result in a final design package that is ready for advertising and has the approval of both the client (City of Nenana) and the State Department of Transportation and Public Facilities.

Given an early notice to proceed our joint effort would have the roadway ready to advertise by the middle of July and the bridge by early September.

We would be pleased to discuss this matter with you further and to provide you with additional details regarding our proposal.

Sincerely,

Francis W. Engle

Francis W. Engle, P.E.
Vice President
Alaska Transportation Consultants, Inc.

FWE-1vb

FEE BY ACTIVITY

	<u>Estimated Construction</u>	<u>Design Fee</u>
STRUCTURES	\$5,354,700	\$ 189,000
1 Major (600')		
2 Minor (Less than 100')		
ROADWAY	\$9,965,000	\$ 160,000
(Approximately 37 miles)		
DESIGN SURVEYS		\$ 123,000
	_____	_____
SUB TOTAL	\$15,319,700	\$ 472,000
ROW	\$ 30,000	\$ -0-
CONTINGENCY	<u>\$ 1,840,000</u>	<u>\$ 47,000</u>
	\$17,190,000	\$ 519,000

II. FISCAL DETAIL

Agency Affected DOT/PF
 Program Category Affected Highways and Design & Construction
 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	FY82	FY83	FY84	FY 85	FY86
100 PERSONAL SERVICES		500.0				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND		500.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

This amount is sufficient according to City of Nenana

IV. DATE 3/23/81 PREPARED BY Dave Truax
 AGENCY Planning & Programming
 PHONE 479-4284
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

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

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



City of Nenana

State of Alaska

April 2, 1981

*Alison
Put in my
Business file*

The Honorable Terry Gardiner
House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Gardiner:

Thank you for your letter dated March 30, 1981. Some background to Contract AG-103 is necessary.

The legislature appropriated \$500,000.00 to "the Office of the Governor, special projects office, to be administered in conjunction with the Totchaket Development Corporation for development of the Totchaket agricultural project." 1980 SLA Ch.50, §281.

The Attorney General's Office determined that to the extent the legislature had appropriated money to a private corporation, the appropriation was illegal. The Special Projects Office has instead administered the appropriation through the City of Nenana. The City has contracted with the special projects office for the following services

- AG-101 Transportation system
- AG-102 Livestock Feasibility
- AG-103 Vegetable Feasibility
- AG-104 Wood Fiber Harvest
- AG-105 Land Use Planning
- AG-106 Road right of way clearing
- AG-107 Bridge site and right of way corings.

The City has performed or arranged for performance of all of the contracts but AG-104 and AG-105 through subcontractors. Gene Whiting, d/b/a Little Goldstream Associates, is the subcontractor for AG-103.

Enclosed with this letter is a copy of the contract between the City and the Special Projects Office and a copy of the contract between Little Goldstream Associates and the City.



Terry Gardiner
April 2, 1981
Page Two

The City has serious reservations about Little Goldstream's performance of its contract with the City. The City has requested Little Goldstream take steps to make the final report meet the contract specifications and the terms of Little Goldstream's proposal to the City.

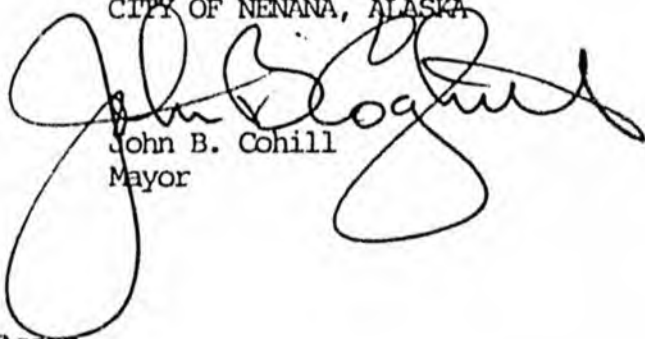
Bob Palmer, of the Special Projects Office, apparently has written Little Goldstream and advised them, in qualified language, that the technical requirements of the State have been met. A copy of that letter is enclosed. The City received that copy on March 27, 1981. The City had not been advised earlier that the report conformed to its contract with the State, and still has not been formally advised of the State's acceptance.

As Mr. Palmer noted, the report must also conform to the City's contract with Little Goldstream. The City has offered Little Goldstream additional time within which to modify the report; see my letter dated March 17 to Little Goldstream, also enclosed. Your letter is the only response to that offer that the City has received. I believe that letter will convey to you the City's concerns and requirements.

Mr. Whiting of Little Goldstream has retained an attorney and has stated to several persons he is considering legal action. Under those circumstances, the City Attorney has instructed city officials not discuss this matter except to the extent it is in the public record. Thus, I cannot respond further to the allegations contained in Mr. Whiting's letter, except to direct you to the materials contained in the file at the Special Projects Office.

Sincerely yours,

CITY OF NENANA, ALASKA



John B. Cohill
Mayor

cc: W.I. Palmer
Little Goldstream Assoc.
Call, DeWitt & Barrett



Alaska State Legislature

House of Representatives

Committee on Resources

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

Pouch V
State Capitol
Juneau, Alaska 99811

March 30, 1981

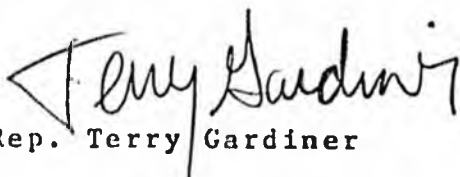
John Coghill
Mayor, City of Nenana
Nenana, Alaska 99760

Dear Mayor Coghill:

Attached is a letter from Gene Whiting of Little Goldstream Associates, the party contracted to complete a report on the feasibility of a vegetable industry located at the proposed Nenana-Totchaket agricultural development site. I understand that Bob Palmer of the Governor's Special Projects Office has accepted the vegetable industry report as completed by Little Goldstream Associates on its technical merits. I also understand that the Totchaket Development Corporation has not accepted the report, and subsequently has refused payment for the report.

Please convey to me the reasons why the "Vegetable Industry Report", contract # AG-103 is found unacceptable by the Corporation and why payment is being withheld.

Sincerely,


Rep. Terry Gardiner

Little Goldstream Associates

Rt. 1, Mile 314½ Parks Highway
Nenana, Alaska 99760

Phone (907) 789-2455

3031 Riverwood Drive
Juneau, Alaska 99803

March 26, 1981

The Honorable Terry Gardiner
Chairman, House Resources Committee
State House of Representatives
Juneau, Alaska 99811

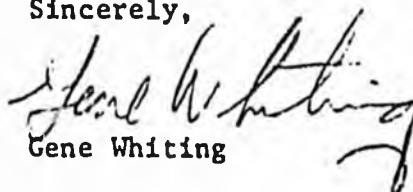
Dear Representative Gardiner:

Little Goldstream Associates recently completed the Vegetable Industry Report for the Totchaket Development Corporation and the Governor's Office of Special Projects. The report has been approved by the Office of Special Projects and payment has been made to the contractor, i.e., the City of Nenana. However, in direct violation of the contract, payment has not been forthcoming to the subcontractor, Little Goldstream Associates. Normally, this would be of no concern to any legislative body, but since the report is a factor in determining the recommendations of the House Resources Committee, the nature of the conflict adds context to the body of the study. The latest correspondence (dated March 17) from the City of Nenana includes the following paragraph: "Be assured that the City of Nenana is seeking through AG-103 a final report that provides the City with a long-term program for the development of a 'feasible vegetable industry' utilizing the extensive class II soils at Nenana-Totchaket." Little Goldstream Associates cannot supply this. While small plots may be desirable for social and political reasons, we cannot demonstrate their "economic feasibility" as vegetable farms under the conditions of new lands settlement/development.

In addition to this basic conflict between expectations and conclusions is a larger consideration. There is no overall State agricultural policy that allows for adequate preliminary studies and subsequent orderly land development. While I stand 100 percent behind Little Goldstream Associates' data and conclusions, there is no doubt that form and style have suffered somewhat by the incredibly compressed schedule imposed to promote funding of a regional enterprise. Like all State agricultural projects, the time constraints are so severe as to prevent rational development of the existing resources as well as the agricultural potential. A more appropriate approach to the vegetable industry in Alaska as a whole is included in my testimony submitted to the House Resources Committee on March 9.

I would appreciate any support that you may deem appropriate in the matter of the State funds being held by the City of Nenana.

Sincerely,


Gene Whiting



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 25, 1981

Mr. Gene Whiting
Little Goldstream Associates
3031 Riverview Drive
Juneau, Alaska 99760

Dear Mr. Whiting:

In response to your request for a letter from the Special Projects Office with regard to AG-103, the vegetable study, I will commit the following to writing:

In my judgment, the report submitted by Little Goldstream Associates does meet the technical requirements of the contract between the City of Nenana and the Special Projects Office.

Sincerely,

A handwritten signature in cursive script, appearing to read "W. I. Palmer".

W. I. "Bob" Palmer
Special Projects Coordinator

cc: The Honorable John Coghill
Mayor of Nenana

RECEIVED MAR 27 1981



City of Nenana

State of Alaska

March 17, 1981

Mr. Gene Whiting
Little Goldstream Associates
3031 Riverview Drive
Juneau, Alaska 99760

Rt. 1, Mile 314.5, Parks Hwy.
Nenana, Alaska 99760

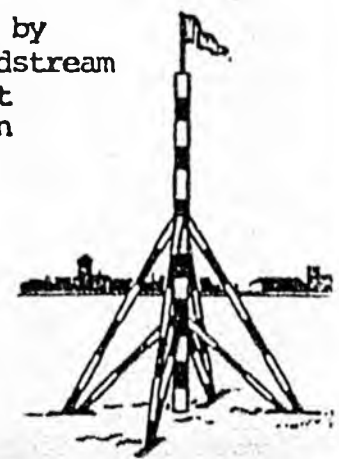
Re: Nenana Contract AG-103

Dear Mr. Whiting:

I have received and reviewed your letter of March 13, 1981 with interest. Since you imply that if more time had been available you might have been willing to rewrite portions of your report, we are willing to delay our pending termination of the subcontract between the City of Nenana and Little Goldstream Associates. We have requested and have today received approval from the Special Projects Office to extend the deadline for submittal of a final report on vegetable industry feasibility by the City of Nenana to the Special Projects Office from March 31 to July 31, 1981.

Therefore, we are prepared to extend the deadline for submittal of a final report to the City by your firm from February 15 to June 15, 1981 subject, however, to the following conditions:

1. That the content of the final report will be reorganized under topic headings A.1 through A.7 of Appendix B of the contract between the City of Nenana and the Special Projects Office, in the manner you suggested in your original proposal.
2. That Dr. Don Dinkel of the University of Alaska be engaged by written agreement - approved by the City of Nenana - with Little Goldstream Associates to "...supply production data for establishing farm unit costs and review the study as a whole to maintain basic validity," in the manner you suggested in your original proposal.



Mr. Gene Whiting
March 17, 1981
Page Two

3. That the firm of Homan-McDowell Associates be engaged by written agreement - approved by the City of Nenana - with Little Goldstream Associates to ". . .provide the economic analysis," in the manner you suggested in your original proposal.

4. That Dr. Wayne Burton be engaged by written agreement - approved by the City of Nenana - with Little Goldstream Associates to review, evaluate and provide critical comments on the final draft of the report after it has been rewritten and reorganized.

5. That the rewritten, reorganized final draft with the complete text of Dr. Burton's review comments be submitted to the City of Nenana no later than May 15, 1981.

6. That pending tentative acceptance of the final draft by the City of Nenana on June 1, 1981 and prior to June 5, 1981, Dr. Dinkel and the firm of Homan-McDowell submit letters to the City of Nenana stating that their respective agreements with Little Goldstream Associates have been satisfactorily completed.

7. That all certificates and assurances required by Paragraphs 5 and 7 of the subcontract agreement be submitted to the City prior to June 10, 1981.

8. That upon written authorization by the City, the approved final report will be printed in 250 copies and delivered to the City no later than June 15, 1981.

9. That all costs incurred by the City of Nenana in assuring the performance of Little Goldstream Associates under Contract AG-103 and this agreement will be deducted from remaining funds available for the completion of subcontract work under City Contract AG-103.

10. That you, as owner of Little Goldstream Associates, sign, date and return this letter to the City of Nenana no later than April 15, 1981.

I will be out of the state for an extended period prior to April 5, 1981. The City of Nenana is prepared to meet with you and your associates, Dr. Dinkel, Dr. Burton and Homan-McDowell at your mutual convenience and at your invitation in either Fairbanks, Juneau or Anchorage between April 5 and April 15 to further discuss these conditions. In the meantime, please contact Jerry Smetzer, Development Consultant to the City of Nenana, if you have questions.

Be assured that the City of Nenana is seeking through AG-103 a final report that provides the City with a long term program for the development of a "feasible vegetable industry" utilizing the extensive Class II soils at Nenana-Totchaket.

Mr. Gene Whiting
March 17, 1981
Page Three

Since you have made much of your conclusion that production of the vegetables you investigated are not "feasible," we insist that you either explore and exhaust other possibilities or demonstrate by formal consensus of other agricultural experts that vegetable production is not now and cannot in the near future be "feasible" in the State of Alaska.

Sincerely yours,

CITY OF NENANA, ALASKA

John B. Coghill, Mayor

JBC:so

cc: Bob Palmer
Dr. Don Dinkel
Dr. Wayne Burton
Homan-McDowell
Bob Pollock
Stephen J. Pearson
James D. DeWitt



City of Nenana

State of Alaska

March 9, 1981

Mr. Gene Whiting
Little Goldstream Associates
3031 Riverview Drive
Juneau, Alaska 99801

Rt. 1, Mile 314.5, Parks Hwy.
Nenana, Alaska 99760

Re: Nenana Contract AG-103

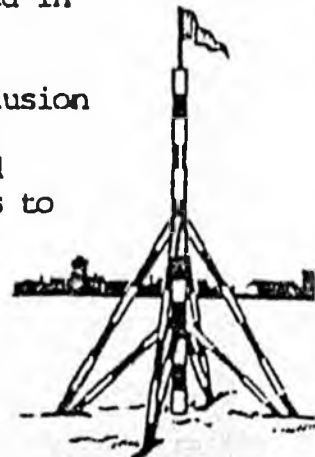
Dear Mr. Whiting:

The report submitted by your firm has been reviewed by myself and the Agriculture Specialist for the City of Nenana, Jerry Smetzer. It has also been reviewed by the City Attorney. The consensus among us is that the report as submitted fails to meet either the standards set out in the subcontract or the commitments made in your submittals to the City on September 23, 1980.

While the City is not required to do so by any of the terms of the contract, it is providing the other members of your firm until March 15, 1981 to cure the matters described below. If the defects identified are not cured within that time, the City will have no choice but to have the contract performed elsewhere and seek to recover from your firm any damages, including extra costs and consequential damages, that are incurred as a result. Obviously, if a portion of the project were delayed for a year those damages could be very substantial.

To conform to the subcontract and the commitments made by your firm in its submittal, the report delivered must, at a minimum, be amended in the following areas:

1. The report must clearly demonstrate why a given conclusion follows from data included in the report. The persons for whom the report was written have little knowledge of the field in general and vegetable production in particular. Conclusions that may be obvious to you are not apparent to the unsophisticated reader.



2. You should consider involving a professional report writing firm in the preparation of an amended final report. Many of the reasons the report is confusing and obscure trace to poor sentence structure and the somewhat disorganized approach your firm has used. Typographical and spelling errors must be eliminated.

3. In your definition of the market, you consider only the "railbelt area," which you fail to define adequately. If that is the only market, you should state why and what it consists of in specific geographic terms. The omission of reasons for the market limitation goes to the heart of vegetable market feasibility in Alaska.

4. The report must meet the commitments and involve the personnel described in your proposal to the City delivered September 23, 1980. It does not do so in its present draft.

5. Jerry Smetzer provided you with a copy of your firm's report, annotated with questions, comments and criticisms. Your responses to those comments, an unsolicited seven page addendum, provides only minimal answers or no answers at all to Smetzer's questions. Further, the addendum is difficult to work with in relation to the report.

6. Many of your conclusions are obscure. For example, in your discussion of the market for vegetables you state:

More than seventy-five percent of frozen potato marketings go to the "institutional" or food service trade. This area of the market is certainly open to Alaskan-produced, if quality and service equal or exceed that from 'outside'. Also, this area of the market is Alaska located, thus directly accessible. The same cannot be said for the retail supplier (sic) market. Four retail store groupings dominate the retail grocery trade in Alaska, with only one being functionally accessible within Alaska.

In response to Smetzer's question regarding this language, your firm stated, "The institutional market should be addressed by Alaskan producers, as it is not brand conscious and may not be dominated by suppliers as completely as other markets." (Addendum, p.2)

The City does not understand any of this. What, for example, does "functionally accessible" mean? Is it jargon or does it have some special meaning? What grocery chain is accessible, and which ones are not and why? Can incentives be created to break open the other grocery chains? Your firm may be completely correct in concluding that the institutional market will not support a vegetable industry, but the reasons why the analysis is confined to the institutional market are not at all clear.

Gene Whiting
March 9, 1981
Page Three

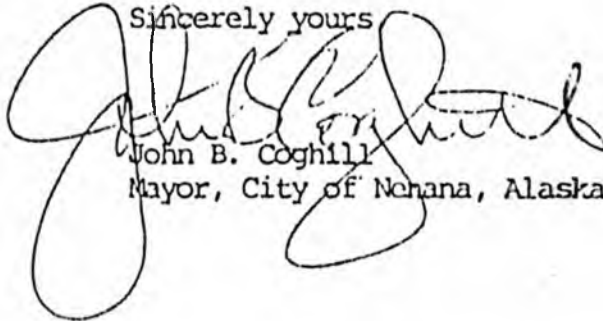
7. As you are well aware, this report is intended for the Alaska Legislature and the state agencies involved in the Totchaket Agricultural Project and the other agricultural projects planned for the State. As it reads now, the report is useless for those purposes.

Therefore, the City requires that the report be corrected to conform to the contract between the City and the State, the subcontract between the City and your firm, and the terms of your proposal to the City not later than March 15, 1981, or the City will regard your firm as being in default of its subcontract, with the results detailed earlier.

Finally, in disregard for its contractual commitments, your firm has distributed copies of its report to persons prior to approval by either the State or the City. The City will hold Little Goldstream liable for any damages suffered by the City to the State, whether direct, indirect or consequential, arising in whole or in part from this wilful breach.

Please contact Jerry Smetzer for specific instructions as to how to bring your firm's report into conformity with the standards set out above.

Sincerely yours



John B. Coghill
Mayor, City of Nenana, Alaska

cc: Don Dinkel, Wayne Burton, Homan-MacDowell, Robert Palmer,
Robert Pollock, Jim DeWitt.

**STANDARD AGREEMENT FORM
FOR PROFESSIONAL SERVICES CONTRACT**

This contract, which is effective only if it is approved by the Department of Administration, is between the State of Alaska,

Department of Office of the Governor/Special Projects Office		<i>hereafter, The State, and</i>	
Contractor City of Nenana		<i>hereafter, the Contractor</i>	
Shipping Address Box 177	Street or P. O. Box	City Nenana, Alaska	State Alaska
Alaska Business License Number		Internal Revenue Service Number	
		99760	

This is a contract for professional services. AS 344.037.030 authorizes the State to make this contract. The parties to the contract agree as follows:

ARTICLE 1. Appendices. Appendices referred to in this contract and attached to it are considered part of it.

ARTICLE 2. Performance of Services.

2.1 Appendix A, Articles 1 through 16, governs the performance of services under this contract.

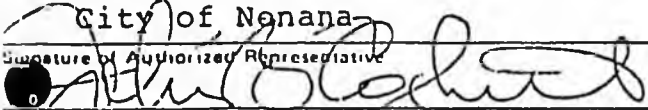
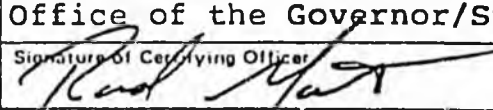
2.2 Appendix B sets forth the services to be performed by the contractor.

ARTICLE 3. Period of Performance. The period of performance under this contract begins September 1, 1980, and ends March 31, 1981. Performance may be extended for additional periods by the written agreement of the parties.

ARTICLE 4. Consideration.

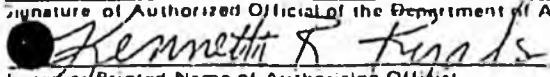
4.1 In full consideration of the Contractor's performance under this contract, the State shall pay the Contractor in accordance with the provisions of Appendix C.

4.2 When billing the State, the Contractor shall refer to the State Contract Number and send the billing to:

Department of Office of the Governor	Attn: Division of Special Projects Office
Mailing Address Pouch AN, Juneau, Alaska 99811	
CONTRACTOR	STATE
Name of Firm City of Nenana	Department or Agency Office of the Governor/Special Projects
Signature of Authorized Representative 	Signature of Certifying Officer 
Typed or Printed Name of Authorized Representative JOHN B. COGHILL	Typed or Printed Name of Certifying Officer
Title MAYOR	Title

APPROVAL BY THE DEPARTMENT OF ADMINISTRATION

NOTICE! This contract has no effect except as an offer by the Contractor until it is approved by the Department of Administration.

Signature of Authorized Official of the Department of Administration 	Date 10-07-80
Typed or Printed Name of Authorizing Official Kenneth R Ryals	Title Pre-audit Supervisor

APPENDIX A

Article 1. Definitions.

1.1 In this contract and appendices, "Certifying Officer" means the person who signs this contract on behalf of the Department and includes a successor or authorized representative.

1.2 "Department" means the agency for which this contract is to be performed and for which the Certifying Officer acted in signing this contract.

Article 2. Inspection and Reports.

2.1 The Department may inspect, in the manner and at reasonable times it considers appropriate, all the Contractor's facilities and activities under this contract.

2.2 The Contractor shall make progress and other reports in the manner and at the times the Department reasonably requires.

Article 3. State Saved Harmless.

The Contractor shall indemnify and hold and save the State, its officers, agents and employees harmless from liability of any nature or kind, including costs and expenses, for or on account of any and all legal actions or claims of any character whatsoever resulting from injuries or damages sustained by any person or persons or property arising from its performance of this contract in any way whatsoever.

(OVER)

OCT 02 1980

4.1. Any dispute concerning a question of fact arising under this contract which is not disposed of by mutual agreement shall be decided without bias by the Director of the Department's Division of Administrative Services (or, if none, the Department's Administrative Officer), who shall reduce his decision to writing and mail or otherwise furnish a copy of it to the Contractor. The decision of the Director is final and conclusive unless, within 30 days from the date of receipt of that copy, the Contractor mails or otherwise furnishes to the Certifying Officer a written appeal addressed to the Commissioner of the Department. The Commissioner shall appoint a three-person board from the Department to hear the appeal, none of whom may be from the Division of Administrative Services. The decision of the board is final and conclusive, unless it is fraudulent or not supported by substantial evidence. In any proceeding under this article, the Contractor has a right to be heard by an unbiased panel and to offer evidence in support of his appeal. Pending final decision of a dispute, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Director of the Division of Administrative Services decision.

4.2. This disputes article does not preclude consideration of questions of law in connection with decisions provided for in paragraph 4.1 above. However, this article does not make the decision of any administrative official, representative or board on a question of law final or conclusive.

Article 5. Equal Employment Opportunity.

5.1. The Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, physical handicap, sex, or marital status, change in marital status, pregnancy or parenthood when the reasonable demands of the position do not require distinction on the basis of age, physical handicap, sex, or marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall take affirmative action to insure that the applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status. This action must include, but need not be limited to, the following: employment, upgrading, demotion, transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor shall post in conspicuous places, available to employees and applicants for employment, notices setting out the provisions of this paragraph.

5.2. The Contractor shall state, in all solicitations or advertisements for employees to work on State of Alaska contract jobs, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, or marital status.

5.3. The Contractor shall send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding a notice advising the labor union or workers' representative of the Contractor's commitments under this article and post copies of the notice in conspicuous places available to all employees and applicants for employment.

5.4. The Contractor shall include the provisions of this article in every contract, and shall require the inclusion of these provisions in every contract entered into by any of its subcontractors, so that those provisions will be binding upon each subcontractor. For the purpose of including those provisions in any construction, maintenance, or service contract or subcontract, as required by this contract, "contractor" and "subcontractor" may be changed to reflect appropriately the name or designation of the parties of the contract or subcontract.

5.5. The Contractor shall cooperate fully with the office or agency of the State of Alaska which seeks to deal with the problem of unlawful discrimination, and with all other State efforts to guarantee fair employment practices under this contract, and promptly comply with all requests and directions from the State Commission for Human Rights or any of its officers or agents relating to prevention of discriminatory employment practices.

5.6. Full cooperation in paragraph 5.5 includes, but is not limited to, being a witness in any proceeding involving questions of unlawful discrimination if that is requested by any official or agency of the State of Alaska; permitting employees of the Contractor to be witnesses or complainants in any proceeding involving questions of unlawful discrimination, if that is requested by any official or agency of the State of Alaska; participating in meetings; submitting periodic reports on the equal employment aspects of present and future employment; assisting in inspection of the Contractor's facilities; and promptly complying with all state directives considered essential by any office or agency of the State of Alaska to insure compliance with all federal and state laws, regulations, and policies pertaining to the prevention of discriminatory employment practices.

5.7. Failure to perform under this article constitutes a material breach of the contract.

Article 6. Termination.

The Certifying Officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the State. The State is liable only for payment in accordance with the payment provisions of this contract for services rendered before the effective date of termination.

Article 7. No Assignment or Delegation

This contract is personal and the Contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Certifying Officer.

Article 8. No Additional Work or Material

No claim for additional services, not specifically provided in this contract, performed or furnished by the Contractor, will be allowed, nor may the Contractor do any work or furnish any material covered by the contract unless the work or material is ordered in writing by the Certifying Officer and approved by the Department of Administration.

Article 9. Independent Contractor.

The Contractor and any agents and employees of the Contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.

Article 10. Payment of Taxes.

As a condition of performance of this contract, the Contractor shall pay all federal, state, and local taxes incurred by the Contractor and shall require the payment by any subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the State under this contract.

Article 11. Workmen's Compensation Insurance.

During the life of this contract, the Contractor shall provide and maintain, for all employees of the Contractor engaged in work under this contract, workmen's compensation insurance as required by AS 23 30. The Contractor shall require any subcontractor to provide and maintain for its employees workmen's compensation insurance as required by AS 23 30. That coverage must remain in force from the day services begin under this contract and shall provide for written notice to the Certifying Officer at least 30 days before cancellation or non-renewal. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and grounds for termination of the Contractor's services. Before performing under this contract, the Contractor shall furnish the Certifying Officer with certificates of insurance as proof of compliance with this article. The certificates of insurance must include an All States' Broad Form Endorsement.

Article 12. Insurance.

Before this contract may be approved, the Contractor shall furnish a certificate of liability insurance evidencing coverage satisfactory to the Risk Manager of the Department of Administration.

Article 13. Ownership of Documents.

All designs, drawings, specifications, notes, and other work developed in the performance of this agreement are and remain the sole property of the State of Alaska and may be used by the State for any other purpose without additional compensation to the Contractor. The Contractor agrees not to assert any rights and not to establish any claim under the design patent or copyright laws. The Contractor, for a period of three years after final payment under this contract, agrees to furnish and provide access to all retained materials at the request of the Certifying Officer. Unless otherwise directed by the Certifying Officer, the Contractor may retain copies of all the materials.

Article 14. Governing Law.

This contract is governed by the laws of the State of Alaska.

Article 15. Officials not to Benefit.

No member of or delegate to Congress, United States Commissioner, or officials of the state or federal government may be admitted to any share or part of this contract or to any benefit to arise therefrom.

Article 16. Covenant Against Contingent Fees.

The Contractor warrants that no person or agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, contingent fee, or brokerage except employees or agencies maintained by the Contractor for the purpose of securing business. For the breach or violation of this warranty, the State may terminate this contract without liability or in its discretion deduct from the contract price or consideration the full amount of the commission, percentage, brokerage, or contingent fee.

Articles 15 and 16 are to be used only if the professional services contract is federally funded.

APPENDIX B

The Services to be Performed by the City of Nenana for the Office of the Governor/Special Projects Office.*

A. The Contractor agrees to perform the following services: Coordination of all activities in regards to determining the feasibility of an economic vegetable production, processing and marketing industry in the Nenana area. Contract to research, survey and recommend a course of action to establish a viable economic vegetable industry project, with due consideration of, but not limited to, the following:

1. establishment of necessary criteria to determine the economic units needed, by size and quantity, in order to support the first phase of a processing facility to market fresh, frozen or dehydrated vegetables,
2. profitability and economic analysis,
3. time frame and scheduling required,
4. number and size of farms,
5. infrastructural needs ie.; seed, fertilizer, machinery, cooperatives, etc.,
6. total funding necessary to implement,
7. recommended legislation.

B. Time Frame:	Preliminary analysis	November 15, 1980
	Final analysis	March 31, 1980 1981
C. Consideration:	Professional Services	\$45,000.00
	<u>Administration</u>	<u>8,000.00</u>
	Total	\$53,000.00

* The Office of the Governor/Special Projects Office reserves the right to review all professional contract bids relative to this agreement and to have final approval of the contractor selected. The Office of the Governor/Special Projects Office reserves the right to review all activities relating to this agreement during the contract period and have final approval prior to any public distribution. All information gathered will be routed through the City of Nenana prior to public distribution.

APPENDIX C

Consideration:

In full consideration of the Contractor's performance hereunder, the State shall pay the Contractor an amount not to exceed \$53,000.00 based on submission of monthly billings to the Special Projects Office, Office of the Governor, Juneau, covering expenditures occurring in the period. The final billing date shall occur not later than 30 days following the expiration date of the contract.

AUTHORITY TO ENTER CONTRACT NEGOTIATIONS

This form must be executed prior to entering negotiations regarding PROFESSIONAL SERVICE CONTRACTS when the contract amount is in excess of \$2,000 in an annual period. This includes the PROFESSIONAL SERVICES CONTRACTUAL RELATIONSHIP QUESTIONNAIRE on the back side of this form. Refer to Purchasing Regulations Manual, Chapter 5, for further instructions.

DEPARTMENT: Office of the Governor DATE: 9-2-80
DIVISION: Special Projects Office AMOUNT OF CONTRACT: \$53,000.00
PREPARED BY: W.I. "Bob" Palmer/S. Boyer PERIOD COVERED FROM: 9-1-80
TELEPHONE: 465-3568 TO: 3-31-81

Purpose(s) of contract:
To coordinate all activities in regards to determining the feasibility of an economic vegetable production, processing and marketing industry in the Nenana area.

We intend to negotiate with the following persons or firms. Agencies SHOULD list at least three choices or explain why it is not possible.

<u>NAME</u>	<u>ADDRESS</u>	<u>ALASKA BUSINESS LICENSE</u>	
<u>City of Nenana, Box 177, Nenana, Alaska</u>	<u>99760</u>	YES <u> </u>	NO <u>X</u>
<u> </u>	<u> </u>	YES <u> </u>	NO <u> </u>
<u> </u>	<u> </u>	YES <u> </u>	NO <u> </u>

Budgetary Data:

BRU NAME: Special Projects Office COMPONENT:
8 DIGIT CODE: 01-71-1-097

The concurrence of the Department of Administration is sought so that we may proceed to negotiate the above contract.

FOR THE DEPARTMENT:
[Signature]
DEPARTMENT HEAD OR AUTHORIZED REPRESENTATIVE
9/17/80
DATE

CONCUR:
[Signature]
DEPARTMENT OF ADMINISTRATION
9/23/80
DATE

The proposed contract must be forwarded to the Department of Administration after contractor and Departmental signatures have been affixed but prior to execution or effective date, for final approval.

#3990

PROFESSIONAL SERVICES CONTRACTUAL RELATIONSHIP QUESTIONNAIRE

PROPOSED CONTRACTOR: City of Nenana

1. WILL THE CONTRACTOR BE SUBJECT TO SUPERVISION BY AGENTS, OFFICIALS, OR EMPLOYEES OF THE STATE?
2. WILL THE STATE BE INVOLVED IN TRAINING THE CONTRACTOR AS TO THE METHODS AND/OR TECHNIQUES THAT ARE TO BE USED TO ACCOMPLISH THE WORK THAT IS TO BE DONE?
3. WILL IT BE NECESSARY FOR THE CONTRACTOR TO RENDER THE SERVICES PERSONALLY?
4. WILL THE CONTRACTOR BE HIRING/FIRING, SUPERVISING AND FINANCING PAYMENT OF NON-STATE EMPLOYEES IN CONJUNCTION WITH THE FULFILLMENT OF THE PROPOSED CONTRACT?
5. WILL THE STATE RETAIN THE RIGHT TO SPECIFY THE HOURS (E.G., START/STOP TIMES, MINIMUM OR MAXIMUM HOURS, DAYS OF WEEK, ETC.) DURING WHICH THE CONTRACTOR IS TO ACCOMPLISH THE WORK REQUIRED BY THE AGREEMENT?
IF SO, WHAT WILL BE THE NATURE OF THE SPECIFICATION? _____
6. WILL THE STATE RETAIN THE RIGHT TO SPECIFY THE LOCATION AT WHICH THE CONTRACTOR WILL PERFORM THE REQUIRED SERVICES?
7. WILL THE STATE RETAIN THE RIGHT TO SPECIFY THE ORDER OR SEQUENCE IN WHICH THE TASKS INVOLVED WILL BE ACCOMPLISHED?
8. WILL THE CONTRACTOR BE PAID BASED UPON TIME WORKED (E.G., HOURS, DAYS, MONTHS) (IN CONTRAST TO PAYMENT FOR COMPLETION OF A PRODUCT OR, IN THE CASE OF PROGRESS PAYMENTS, A SPECIFIED PORTION OF THE TOTAL PRODUCT)?
9. WILL THE CONTRACTOR BE REIMBURSED FOR MISCELLANEOUS EXPENSES, SUCH AS TRAVEL, OVER AND ABOVE THE COMPENSATION AGREED UPON FOR THE SERVICES TO BE RENDERED? (CHECK "NOT APPLICABLE" IF NO MISCELLANEOUS EXPENSES, SUCH AS TRAVEL, WILL BE INVOLVED IN ACCOMPLISHING THE WORK TO BE DONE).
10. WILL THE STATE SUPPLY TOOLS AND MATERIALS NECESSARY FOR THE CONTRACTOR TO ACCOMPLISH THE WORK TO BE DONE? (CHECK "NOT APPLICABLE" COLUMN IF NO TOOLS AND/OR MATERIALS ARE INVOLVED IN THE WORK TO BE DONE).
11. WILL THE CONTRACTOR BE EXPOSED TO THE RISK OF A FINANCIAL LOSS UNDER THE TERMS OF THE PROPOSED AGREEMENT?
12. WILL THE CONTRACTOR BE AFFORDED LIABILITY PROTECTION UNDER STATE PURCHASED INSURANCE POLICIES?
IF SO, WHAT TYPE OF COVERAGE? _____
13. IS THE CONTRACTOR CURRENTLY A PARTY TO AGREEMENTS FOR THE PROVISION OF SIMILAR SERVICES TO NON-STATE ENTITIES?
14. DOES THE CONTRACTOR MAKE HIS/HER SERVICES AVAILABLE TO THE GENERAL PUBLIC (I.E., MAINTAIN AN OFFICE IN A PUBLIC PLACE, ADVERTISE IN YELLOW PAGES, TRADE JOURNALS, ETC.)?
15. WILL THE STATE BE SUPPLYING OFFICE OR OTHER WORK SPACE FOR THE USE OF THE CONTRACTOR? (CHECK "NOT APPLICABLE" IF WORK SPACE IS ONLY INCIDENTAL IN PROVIDING THE REQUIRED SERVICES).
16. WILL THE STATE BE ABLE TO DISCHARGE THE CONTRACTOR PRIOR TO COMPLETION OF CONTRACT FOR REASONS OTHER THAN FAILURE TO PERFORM AS SPECIFIED BY THE AGREEMENT OR THE UNAVAILABILITY OF APPROPRIATED FUNDS?
17. WILL THE AGREEMENT MAKE THE DEFAULTING PARTY LIABLE FOR PAYMENT OF DAMAGES ARISING OUT OF THE FAILURE TO PERFORM?
18. WILL THE STATE HAVE THE RIGHT OF FIRST CALL ON THE SERVICES OF THE CONTRACTOR?
19. WILL THE CONTRACTOR BE BOUND TO COMPLY WITH THE GENERAL POLICIES AND PROCEDURES GOVERNING THE BEHAVIOR OF STATE EMPLOYEES BY THE PROPOSED AGREEMENT?
20. WHY IS IT DEEMED PREFERABLE TO CONTRACT FOR THE REQUIRED SERVICES INSTEAD OF HIRING AN EMPLOYEE TO PROVIDE THEM?

YES	NO	N/A
X		
	X	
X		
X		
	X	
X		
	X	
		X
	X	
	X	
X		
	X	
	X	
X		
	X	

This is merely a one time only situation and there are no employees presently available who can do this. The City of Nenana has the expertise available to carry out this contract.

THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

SIGNATURE TITLE DATE

ADDITIONS ON ANY OF THE ABOVE ANSWERS MAY BE APPENDED.

SUBCONTRACT AGREEMENT

Contract No. AG 103

The CITY OF NENANA, ALASKA, a municipality (Contractor), and
Little Goldstream Associates, of 3031 Riverwood Drive,
Juneau, Alaska 99803 (Subcontractor), agree as follows:

1. Scope of Work. The subcontractor shall perform all of the work described in Appendix B, Part A of the contract document entitled "Standard Agreement Form for Professional Services Contract"; and in addition shall perform everything required by the Contractor under this Agreement, the State of Alaska under this Agreement, and the contract documents.

2. Time of Completion. The work to be completed under this Agreement shall be commenced immediately upon award of this contract and shall be completed as follows:

Preliminary written report	December 1, 1980
Final written report	February 15, 1981

3. Contract Sum. The total consideration payable to Subcontractor by Contractor under this Agreement shall be 43960⁰⁰, payable according to Paragraphs 4 and 5 of this Agreement.

4. Progress Payments. The Contractor shall make payments of the contract sum to Subcontractor for performance of this Agreement as follows: the Subcontractor, not more often than monthly, may submit itemized statements for services performed under the agreement. The Contractor will review them for conformity with the agreement and, if acceptable, forward them to the State of Alaska. On receipt of payment of the statement from the State of Alaska, the Contractor will pay the amount of the statement paid to it by the State to the Subcontractor, except that the Contractor may retain the final 25% of the contract sum as final payment under Paragraph 5.

5. Acceptance and Final Payment. Final payment shall be due 60 days after full completion of the work and this Agreement.

Upon delivery of the Final Written Report, the Contractor shall promptly make a review of the report, and if the Contractor finds the work acceptable under this Agreement, it shall forward the report,

together with its acceptance of the report, to the State of Alaska. On receipt of any balance due from the State, the Contractor immediately shall pay to Subcontractor the balance of the contract sum.

Before the Contractor accepts the Final Written Report, the Subcontractor shall furnish to Contractor evidence satisfactory to Contractor that all payrolls, material bills, taxes and other indebtedness connected with the work have been paid or otherwise satisfied.

6. Contract Documents. The contract documents consist of the following, in addition to this Agreement:

- (a) The Standard Agreement for Professional Services Contract, including Appendices A, B and C, designated by the Contractor as Contract No. _____, between the City of Nenana, Alaska and the Special Projects Office, Office of the Governor, State of Alaska;
- (b) The Terms and Conditions of Submittal;
- (c) The Second Invitation for Bids;

7. Additional Conditions. In addition to the terms and conditions set out above, the Contractor requires that the Subcontractor:

- (a) maintain adequate liability insurance to cover foreseeable contingencies in performance of this Agreement, and, upon request, furnish a certificate of insurance to the Contractor;
- (b) maintain workmen's compensation insurance as required by Alaska law;
- (c) indemnify, hold harmless and defend the Contractor from all liability arising from Subcontractor's performance of the agreement, except liability arising exclusively through the actions or inactions of the Contractor;
- (d) work closely with the Contractor in performing the Agreement, consulting regularly and frequently with the Contractor and, upon request, reporting to the City Council of the City of Nenana, Alaska;
- (e) on request, to submit its work or work in progress to review by the State or the Contractor at any reasonable time;
- (f) not release any information gathered for this Agreement to any person but the State or the Contractor;

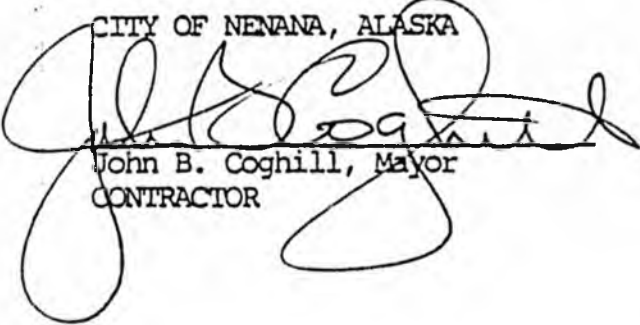
8. Definitions. In this Agreement, unless the context requires otherwise, the following words shall have the following meanings:

"Contractor" means the City of Nenana, Alaska in the person of the Mayor, or his authorized agent named in a writing delivered to the Subcontractor;

"State" means the Special Projects Office, Office of the Governor, State of Alaska, or its authorized designees.

DATED: October 18, 1980

CITY OF NENANA, ALASKA


John B. Coghill, Mayor
CONTRACTOR

Name: Gene W. King
Title: Turner
SUBCONTRACTOR

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

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POSITION PAPER
ON
HOUSE BILL NO. 288

"An Act making a special appropriation to the Municipality of Anchorage to study modes of mass transportation in Anchorage; and providing for an effective date."

This bill would appropriate the sum of \$100,000 to the Municipality of Anchorage to study modes of mass transportation in Anchorage. It is generally an accepted fact that transportation is a major service needed for all age groups, including the elderly and handicapped, and present services are not meeting the demand.

The Municipality of Anchorage received a grant of \$10,000 for FY'81 from the Department of Health and Social Services to contract with a transportation consulting firm to plan better coordination of transportation services with existing agencies providing services to the elderly and handicapped. However, this legislation would extend beyond the scope of the coordination study and evaluation.

The Department of Health and Social Services supports the concept and need for improved mass transportation in Anchorage.

Recommended by: Elizabeth Muktarian
Elizabeth Muktarian
Director
Div. of Adult and
Aging Services

Date: 3/19/81

Approved by: Helen D. Beirne
Helen D. Beirne
Commissioner
Dept. of Health and
Social Services

Date: 3/24/81

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 289

Title "An Act making a special appropriation to the Municipality of Anchorage to study
Requested by mass transportation in Anchorage; & providing for Date March 18, 1981
an effective date."

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services

Program Category Affected Social and Economic Assistance for the General Population

BRU, Program, or Subprogram(s) Affected Division of Adult and Aging Services-Adult Services

(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						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL		-0-				

FUNDING (Thousands of Dollars)

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

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Zero Impact.

IV. DATE

3-18-81

PREPARED BY Dorothy Wall

Dorothy Wall

AGENCY Division of Adult and Aging Services

Original: Legislative Finance

PHONE 465-3250

cc: Budget and Management

Prime Sponsor (First Legislator Named)

M&B Approval

M. H. G. Gault

Date 3/20/81

MUNICIPALITY OF ANCHORAGE
REQUEST FOR PROPOSAL
For an analysis of Mass Transportation
Modes Suitable for Primary
Transit Corridors

Introduction

In order to provide personal mobility with minimal disruption to the urban environment, the Municipality of Anchorage is seeking qualified consultants to submit proposals for an analysis of the suitability of a range of modes for Primary Transit Corridors.

Anchorage has a unified government that encompasses an area of 2,000 square miles with a population near 200,000. Most of the population is located in an area covering 180 square miles which is expected to accommodate 350,000 people by 1993. The Municipality initiated transit service in 1974 and now has a daily ridership in excess of 10,000. The Long Range Element of the Transportation Plan forecasts approximately 140,000 daily transit trips for 1995.

Parameters of Alternatives

The objective is to evaluate a broad range of modal alternatives within the following parameters:

1. A wide range of anticipated levels of demand for transit service, within the population range predicted for the study area.
2. Availability of right-of-way.
3. Capital and operating costs.
4. Accessibility to the mobility-impaired.
5. Anticipated reliability of the technology.
6. Comfort, personal safety, and security of passengers and staff.

Modal-Evaluation Criteria

The final product will be a report assessing a variety of modes with respect to:

1. Potential to attract varying levels of ridership.
2. Construction cost, in light of local-financing capability.

3. Operating costs, in light of local-financing capability.
4. Average speed, including access time.
5. Lead time for implementation.
6. Frequency of service.
7. System capacity.
8. Right-of-way requirements and associated displacement.
9. Visual and noise impacts.
10. Energy impact.
11. Accessibility to the mobility-impaired.
12. Structural stability under prevailing soil and seismic conditions and the subarctic climate.
13. Maintenance requirements.

Modal Characteristics

The proposal should list a wide variety of modes to be examined in the initial phase of the project. The initial selection should cover numerous variations within--and combinations of--the following factors:

- Vehicle size--including articulation and the potential for multiple unit (MU) operation. Passenger-carrying capacity is a primary concern.
- Guideway--surface, mixed-traffic, elevated, subway, degree of grade separation, fixed guideway.
- Control--manual, automatic with on-board attendant or completely automated.
- Personnel Requirements--vehicle operator, vehicle attendant, station attendant, traffic controllers and supervisors, peaking characteristics of daily crew size.
- Power Supply--central Station: overhead wires, current rails, recharging stations. On-board: petroleum-based fuels, alcohol, propane, batteries, flywheels.

- Propulsion--electric, internal combustion, linear induction, flywheel, cable.
- Effect on Street Traffic Control--preferential signalization, restricted-use lanes, grade-crossing signals and gates.
- Pedestrian Access--including means of handicapped access.

Attached is an example list of modes.

Selection of Modes for Detailed Analysis

The consultant will present the results of the initial analysis of each mode to the AMATS Committees, the Transit Advisory Board, the Planning and Zoning Commission (in a public hearing), and the Municipal Assembly. In this presentation the consultant will provide brief descriptions, in lay terms, of the distinguishing characteristics of each mode, providing--where possible--photographs or drawings of the modes. The presentations should include a description of the land-use and population characteristics appropriate to each mode. Order-of-magnitude relative costs should also be discussed.

The Municipality will then select four modes for detailed analysis.

Final Report

The detailed analysis of the final four modes will describe the conditions under which each mode could be successfully operated on primary transit corridors in Anchorage.

Land Use

The final report should highlight the land-use characteristics that are typically associated with successful operation of each mode.

Reference to Previous Studies

Reference should be made to the "Anchorage Light Rail Feasibility Analysis" (Alan M. Voorhees & Associates, 1979) and the "Feasibility Analysis of Upgraded Passenger Rail Service in the Anchorage, Alaska Region" (A.M.V. & Assoc. 1979). The Municipality will loan copies of these reports

to interested consultants, upon request, and will provide a copy of each report to the party to whom the contract is awarded. The report should note where conclusions are similar to, or different from, those contained in the aforementioned Voorhees reports.

Corridors

The corridors for which these modes are to be studied include:

1. Northern Lights Boulevard, from "C" Street to Muldoon Road (designated as a primary transit corridor).
2. "C" Street from Downtown Anchorage to Dimond Boulevard (also a primary transit corridor).
3. Northern Lights Boulevard from "C" Street west to Earthquake Park, thence south to Anchorage International Airport.
4. The Seward Highway from Third Avenue to Potter Marsh.
5. The Alaska Railroad from Birchwood to Potter Marsh.
6. The Glenn Highway from Downtown Anchorage to Eklutna.

PLANNING DEPARTMENT STAFF SUPPORT

The contractor may avail itself of the following pieces of information from the Planning Department:

1. Map of the Adopted Comprehensive Land Use Plan.
2. Existing population and employment, by traffic analysis zone.
3. Projected populations and employments, by traffic analysis zone.
4. The adopted Long Range Transportation Plan.
5. Existing and projected average daily traffic counts.
6. The adopted Transit Development Program.
7. Limited data on current transit ridership.
8. Copies of previous relevant studies.

The Planning Department will not furnish any other staff support except to coordinate with the AMATS Policy Committee and to help further define the scope of the project.

Qualifications Sought

In reviewing the proposals, the Municipality will consider the following items:

1. Previous experience in transit-mode feasibility studies.
2. Previous experience with small to medium-sized transit systems.
3. Qualifications of individuals who will work on the project, including any subcontractors.
4. Methodology and organization of study.
5. Proposals for group presentations of preliminary and final reports.

The review team will consist of representatives from the Municipal Planning and Transportation Departments. No more than \$100,000 is likely to be available for the transit data study. The terms of payment are negotiable.

Time Frame of Study

The approximate time schedule for the project is:

1. Pre-proposal session: 4 weeks from date of cover letter.
2. Proposals due: 6 weeks from date of cover letter.
3. Staff review: 2 weeks from proposals-due date.
4. Contract award: 2 weeks following staff review.
5. Status reports: Monthly during project.
6. Initial report: 4 months after contract award.
7. Selection of final modes: 2 months after initial report.
8. Project completion: 9 months after contract award.

The consultant must be prepared to make a preliminary presentation and a final presentation to the Municipal Assembly, the Planning and Zoning Commission, the Transit Advisory Board, and the AMATS Technical Advisory and Policy Committees, including production of 40 copies of the final report. A public hearing must also be conducted.

The requirements outlined in the project description are minimums and any additional information you can provide should be listed to allow a better evaluation of the proposal. Any questions before the opening date can be directed to Ken Markve or to Stanley Green at (907) 264-4251.

APPENDIX A

List of Modes

The modes to be examined initially should include, but not necessarily be limited to, the following list. For all modes, the costs and access times for primary access modes should be included in the analysis.

1. Automated rapid transit, such as the new system in Lille, France.
2. Monorail, with under-carriage structural rail, such as in the systems in Disneyland and Seattle.
3. Monorail, with catenary-suspended rail, such as proposed for New Orleans.
4. Monorail, with over-carriage rail.
5. Personal rapid transit, such as the Morgantown system.
6. Electric bus with intermediate stations for recharging.
7. Express buses on HOV lanes.
8. Express buses on exclusive bus lanes.
9. Trolley buses on exclusive bus lanes.
10. Light rail transit.
11. Aerial tramways (telepherique) such as on Roosevelt Island, New York.
12. Rail cars on the Alaska Railroad.
13. Trolley bus with off-line capabilities, either by flywheel or internal-combustion engine.
14. Flywheel-powered vehicles.
15. Articulated buses.
16. Heavy rail rapid transit.

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TODAY

June
Best Wo
266-1443

COMPLETED

1. SB 824

Chuck Becker

2. 277-3789

Hawaii
Killed last year

3. lobbying
DFS

6. Lew Dirchner

4. Farmer state AG
founder top aide to

State took no position on carriers

5. assessing revenue sources
Ward + no position - AG's office measure
intended to limit IIT; stopped them from the

6.

7.

8.

Bert Wagon (Rep Cal)

Why do you think exclusive contract?

original movie

LIZ

no revenue to state

undersell vendor

U.S. Sup. Ct. - OK. monopoly & ^{State to have} restricted access

however leg. body must act low.

actually supervised monopoly

LIZ duty free \Rightarrow run goods across airport
firm that services airplanes

undersell vendor

no fee to state

Frankfurt

2 basic reasons

① Least imp \Rightarrow diff of opinion among alt; some consensus

- having 1 - stronger bill to anti trust
- withstand court test -

② 1 operator - economics

TODAY

June
Best Wo
266-1443

COMPLETED

1. SB 824
Chuck Becker
2. 277-3789
3.
Hawaii
killed last year
lobbying
DFS
4. 6 Lew Dinchew
Former state AG
former taxpayer
State took no positions carriers
5.
Ward - no position
error of revenue sources
- A G 2 office measure
of relief
intended to halt IIZ; stopped them prior to
6.
7.
8.

Bert Wagnon (Rep Cal)

Why do you think exclusive contract?

original movie

LIZ

no revenue to state

undersell vendor

U.S. Sup Ct. - OK monopoly & ^{State to have} retreat access
however leg. body must set law.
actively supervise monopoly

LIZ duty free. \rightarrow sell goods across airport
firm that services airplanes

undersell con.

no fee to state

to be paid

2 basic reasons

(1) local imp. \rightarrow diff of opinion amongst; some consensus
- having 1 - stronger bill to craft trust
with state - can't lead -

(2) 1 operator - economical

HOUSE TRANSPORTATION COMMITTEE

COMMITTEE REPORT - CS SB 824

The Transportation Committee has considered CS SB 824, relating to the establishment and operation of in bond merchandise businesses at state owned and operated international airports. The purpose of this report is to express the Committee's understanding of the purposes of the bill and to make clear the Committee's intent with regard to certain aspects of the bill.

In bond merchandise, which includes merchandise of foreign origin (not manufactured in the United States) and United States alcoholic beverages and tobacco products handled in bond, is sold to foreign-bound passengers. For a number of years, the state has entered into exclusive contracts authorizing the establishment and operation of an in bond merchandise business at each of the state's international airports. These exclusive contracts have been extremely beneficial to the state by providing substantial revenue to the state, increasing employment in the state, and aiding the tourism industry, while at the same time facilitating the orderly administration of the state's international airports. For the reasons stated in Section 1 of the bill and elaborated upon by the official of the Department of Transportation and Public Facilities who testified before the Committee in support of the bill, the Committee believes that conferring exclusive rights for the establishment and

operation of an in bond merchandise business at each international airport is good state policy.

Recently, legal questions have been raised concerning the granting of exclusive in bond contracts. This bill is designed to resolve all legal questions once and for all with regard to all existing and future exclusive in bond contracts. In particular, CS SB 824 is designed to ensure that "state action" immunity from the operation of the federal antitrust laws [see, California Retail Liquor Dealers Assn. v. Midcal Aluminum, Inc., 445 U.S. 97 (1980)] exists with regard to the establishment and operation of in bond merchandise businesses at international airports in the State of Alaska, including the conferral of exclusive rights in this field. Thus, the bill clearly and affirmatively states that it is the policy of the State of Alaska that only an exclusive contractor be allowed to offer to sell, sell and deliver in bond merchandise at each international airport, and that the Department of Transportation and Public Facilities may not permit, nor confer any right upon, any person other than the exclusive contractor to offer to sell, sell or deliver in bond merchandise at an international airport. In addition, the bill requires the issuance of exclusive in bond contractors in the future, and requires that the Department actively supervise the operations under each exclusive in bond contract. CS SB 824 is also specifically intended to, and does, provide an express immunity and exemption for the activities required under this bill from the operation of Alaska's antitrust laws,

AS 45.50.562 et. seq., and any other applicable state laws that would otherwise affect the validity of those activities. See e.g., Section 1(e) of the bill. By providing these immunities, CS SB 824 will enable in bond merchandise sales in Alaska to continue to be maximized, thereby maximizing the state's revenue from this source and providing the other substantial benefits described above.

The Committee also intends that the exclusivity mandated under Section 2 of this bill encompasses, with one limited exception, every aspect of the establishment and operation of an in bond merchandise business at an international airport. That limited exception is for the delivery of in bond merchandise as cargo to airlines. For purposes of this bill, cargo has been specifically defined. As defined in Section 4 of the bill, cargo is intended to have four characteristics. First, cargo is carried by an airline in return for payments made by the shipper to the airline, which payments are computed by reference to a specific cargo tariff; in contrast, the carriage of baggage is included in the price of a passenger ticket (with any additional charges computed on the basis of the excess number of pieces of baggage, or the excess weight of baggage, to be carried, according to an excess baggage schedule). Second, cargo is carried under an airway bill, rather than under a passenger ticket. The portion of the definition of cargo that refers to goods carried "under an agreement between the shipper and the airline other than a passenger ticket" is intended to require both of these

characteristics. Third, cargo is accepted, carried and handled at facilities, and under procedures, different from those used for baggage. Finally, cargo is delivered by the airline at the destination airport to a facility (e.g., an air cargo terminal) separate from that which receives baggage to be delivered to deplaning passengers, and is not brought to a baggage claim area, but must be picked up by the consignee at the facility described above. For a delivery to qualify as cargo, it must satisfy all of these criteria.

Dated April ____, 1982

Representative Cato
Chairman

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266-1443

STATEMENT OF BERTRAM L. WAGNON
BEFORE SENATE TRANSPORTATION COMMITTEE
ON SENATE BILL NO. 824

My name is Bertram L. Wagon. I am Assistant Deputy Commissioner with the Department of Transportation and Public Facilities. I present this statement on behalf of the Administration in support of Senate Bill No. 824, which was introduced in the Senate on March 2, 1982.

Senate Bill No. 824 concerns the in bond merchandise business in Alaska. In bond merchandise includes a wide variety of merchandise handled in bond, including:

1. Merchandise of foreign origin which because of its in bond nature, such merchandise is not subject to United States Customs duties; and
2. United States alcoholic beverages and tobacco products. Because of its in bond nature, such merchandise is not subject to United States Internal Revenue excise taxes.

In bond merchandise is sold only to foreign-bound travelers.

Since 1969, under contracts executed by the department, an in bond merchandise concession has been operated at Anchorage International Airport. In addition, since 1971 successive contracts have covered an in bond merchandise concession at Fairbanks International Airport. These contracts have accorded exclusive rights upon the persons contracting with the department.

In the view of the department, the results under these exclusive contracts have been successful for the state, in that they have provided substantial revenue

airport operations. Recently, however, legal questions have been raised concerning the granting of these exclusive contracts. It is the purpose of Senate Bill No. 824 to resolve once and for all any such legal questions, and thereby to ensure that the state is able to continue to enjoy the substantial benefits resulting from exclusive in bond contracts.

The Supreme Court of the United States has held that, under the "state action" doctrine, conduct that is (1) clearly articulated and affirmatively expressed as state policy, and (2) actively supervised by the state, is immune from the operation of the federal antitrust laws. Senate Bill No. 824 is designed to ensure that such immunity exists with regard to the establishment and operation of in bond merchandise businesses at international airports in the State of Alaska, including the long-standing policy of exclusive rights and contracts in this field. Thus, the bill clearly and affirmatively expresses that it is the policy of the State of Alaska that solicitations of sale, sales and deliveries of in bond merchandise at the state's international airports be made only pursuant to exclusive contract; the bill specifically provides that only a single contractor shall be allowed to offer to sell, sell and deliver in bond merchandise at each international airport, and that the department shall not permit, nor confer any right upon, any other person to offer to sell, sell or deliver in bond merchandise at any international airport.

Accordingly, this bill is designed to ensure that the in bond merchandise business is protected by the "state action" immunity. Moreover, Senate Bill No. 824 is specifically intended to, and does, provide an express immunity and exemption from the operation of Alaska's antitrust laws.

In short, this bill will allow the present and future exclusive in bond concessions to operate without fear of such legal attacks.