

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 86/2

3123 HT AK RAILROAD / BILL DRAFTS (FILE 2)

1 against the railroad as a result of such use,

2 (b) indemnifying the corporation for the amount of any  
3 judgement rendered against the railroad including prejudgement  
4 interest, costs, and attorney's fees; and

5 (2) vacate the right-of-way upon request of the corpo-  
6 ration if the right-of-way interferes with expansion or replace-  
7 ment of railroad facilities.

8 ARTICLE 6. FINANCIAL PROVISIONS.

9 Sec. 42.40.500. LIMITATION OF LIABILITY. A liability  
10 incurred by the corporation shall be satisfied exclusively from  
11 the assets or revenue of the corporation and no creditor or other  
12 person has a right of action against the state because of a debt,  
13 obligation, or liability of the corporation.

14 Sec. 42.40.520. FIDELITY BOND. The corporation shall  
15 obtain a fidelity bond in an amount determined by the board for  
16 its members and any officer responsible for accounts and finan-  
17 ces. A bond must be in effect during the entire tenure in office  
18 of the bonded person.

19 Sec. 42.40.530. INSURANCE. (a) The corporation shall  
20 protect its assets, services, and personnel by insurance, inclu-  
21 ding certain self-insured retentions.

22 (b) The corporation shall also maintain Casualty, Pro-  
23 perty, Business Interruption, Marine, Boiler and Machinery,  
24 Pollution Liability, and Miscellaneous Insurances in amounts  
25 reasonably calculated to cover potential claims for bodily in-  
26 jury, death or disability, consequential and property damage that  
27 may arise or be related to its operations and activities, in-  
28 cluding the liabilities of the State.

29 (c) The Corporation may contract with the Department of

1 Administration, Division of Risk Management for the provision of  
2 all or part of the requirements in subsections (a) and (b).

3 Sec. 42.40.540. CLAIMS. (a) All claims and suits  
4 involving activities of the railroad, including suits in con-  
5 tract, quasi-contract, or tort, shall be brought against the  
6 corporation, and not against the state.

7 (b) In any claim or other legal action against the corpo-  
8 ration, including actions involving the expansion, extension and  
9 construction of the railroad, in which the corporation is the  
10 prevailing party, whether or not the action is considered to be a  
11 public interest case, it is not an abuse of discretion for a  
12 court to award full costs and attorney fees and for the losses to  
13 the corporation that are directly attributable to the maintenance  
14 of that action.

15 (c) For the purposes of actionable claims, undertakings,  
16 payments of judgments, execution, interest, punitive damages,  
17 statutes of limitations, bonds, costs, and similar matters re-  
18 lated to the presentation and prosecution of claims by and  
19 against the corporation, the corporation and its board members  
20 and employees enjoy the same rights, privileges, and immunities  
21 as the state and state officers.

22 (d) Claims against the corporation are not subject to the  
23 provisions of AS 44.77.010 - 44.77.070 regarding claims against  
24 the state.

25 (e) The corporation is not subject to the provisions of  
26 AS 44.80.010, regarding the state as a party to an action.

27 Sec. 42.40.550. REVENUE. Revenue generated by or appro-  
28 priated to the corporation shall be retained and managed by the  
29 corporation for railroad and related purposes as required by 45

1 U.S.C. 1207(a)(5) (Alaska Railroad Transfer Act of 1982).

2 \*Sec. 42.40.560. APPROPRIATIONS. The corporation may re-  
3 quest, with the concurrence of the governor, a direct appropri-  
4 ation or grant from the legislature to assist in carrying out the  
5 provisions of AS 42.40.300 and 42.40.310.

6 Sec. 42.40.570. BONDS AND NOTES. (a) The corporation by  
7 resolution may issue bonds and bond anticipation notes to provide  
8 money to carry out its purposes.

9 (b) The principal and interest on bonds or notes of the  
10 corporation is payable from corporation money or assets. Bonds  
11 or notes may be additionally secured by a pledge of a grant or  
12 contribution from the federal government or a corporation, asso-  
13 ciation, institution or person, or a pledge of money, income, or  
14 revenue of the corporation from any source.

15 (c) Bond anticipation notes may be payable from the pro-  
16 ceeds of the sale of bonds or other bond anticipation notes, or,  
17 if bond or bond anticipation note proceeds are not available,  
18 from other money or assets of the corporation.

19 (d) Bonds or bond anticipation notes may be issued in one  
20 or more series and shall, as provided by the resolution of the  
21 board,

22 (1) be dated;

23 (2) bear interest at a required rate or rates per  
24 year or within a maximum rate;

25 (3) be in a required denomination;

26 (4) be in a coupon or registered form;

27 (5) carry conversion or registration provisions;

28 (6) have a required rank or priority;

29 \*Problem - future analysis

1 (7) be executed in the required manner and form;

2 (8) be payable as required from the sources, in  
3 the medium of payment, and place or places inside or outside the  
4 state;

5 (9) be subject to authentication by a trustee or  
6 fiscal agent; and

7 (10) be subject to terms of redemption with or  
8 without premium.

9 (e) Bonds or bond anticipation notes may be sold in the  
10 manner, on the terms, and at the price the board determines.  
11 Bond anticipation notes shall mature at the time or times deter-  
12 mined by the board. Bonds shall mature at the time, not exceed-  
13 ing 50 years from their date, determined by the board.

14 (f) Bond or bond anticipation note proceeds may not be  
15 dedicated to activities other than those the board reasonably  
16 determines to be specifically related to the purposes for which  
17 the instruments are issued.

18 (1) pledge all or part of its revenue to which  
19 its right then exists or may thereafter exist, the money derived  
20 from the revenue, and the proceeds of its bonds or notes;

21 (2) covenant against pledging all or part of its  
22 revenue, or against permitting or suffering a lien on its revenue  
23 or property;

24 (3) covenant as to establishment of reserves or  
25 sinking funds and provide for, regulate, and dispose of the  
26 reserves or sinking funds;

27 (4) covenant regarding limitations on a right to sell  
28 or otherwise dispose of property of any kind;

29 (5) covenant as to bonds and notes to be issued, their

1 limitations, terms and conditions, the custody, application and  
2 disposition of the proceeds of the bonds and notes;

3 (6) covenant as to the issuance of additional bonds or  
4 notes, or limitations on the issuance of additional bonds or  
5 notes, and the incurring of other debts;

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

11 (8) provide for the replacement of lost, stolen,  
12 destroyed or mutilated bonds or notes;

13 (9) covenant against extending the time for the pay-  
14 ment of bonds or notes, or interest on the bonds or notes;

15 (10) covenant as to the redemption of bonds or notes  
16 and privileges of their exchange for other bonds or notes of the  
17 corporation;

18 (11) covenant to create or authorize the creation of  
19 special funds of money to be held in ledge or otherwise for  
20 operating expenses, payment or redemption of bonds or notes,  
21 reserves or other purposes, and as to the use and disposition of  
22 the money held in the funds;

23 (12) establish the procedure by which the terms of a  
24 contract or covenant with or for the benefit of the holders of  
25 bonds or notes may be amended or abrogated, the amount of bonds  
26 or notes the holders of which must consent to amendment or abro-  
27 gation, and the manner in which the consent may be given;

28 (13) covenant as to the custody of any of its proper-  
29 ties or investments, their safekeeping and insurance, and the use

1 and disposition of insurance money;

2 (14) vest in a trustee or trustees inside or outside  
3 the state property, rights, powers and duties in trust as the  
4 corporation may determine that may include any or all of the  
5 rights, powers and duties of a trustee appointed by the holders  
6 of bonds or notes of the corporation, and to limit or abrogate  
7 the rights of the holders of the bonds or notes of the corpo-  
8 ration to appoint a trustee under this chapter or limit the  
9 rights, powers and duties of the trustee;

10 (15) pay the costs or expenses incident to the enforce-  
11 ment of the bonds or notes, of the provisions of the resolution,  
12 or of a covenant or agreement of the corporation with the holders  
13 of its bonds or notes;

14 (16) agree with a corporation trustee, that may be a  
15 trust company or bank having the powers of a trust company inside  
16 or outside the state, as to the pledging or assigning of revenue  
17 or funds that or in which the corporation has a right or inter-  
18 est; the agreement may provide for other rights and remedies  
19 exercisable by the trustee for the protection of the holders of  
20 bonds or notes of the corporation and not otherwise in violation  
21 of law, and may provide for the restriction of the rights of an  
22 individual holder of bonds or notes of the corporation;

23 (17) appoint and provide for the duties and obligations  
24 of a paying agent or other fiduciary inside or outside the state;

25 (18) limit the rights of the holders of bonds or notes  
26 of the corporation to enforce a pledge or covenant securing the  
27 bonds or notes; and

28 (19) make covenants other than and in addition to the  
29 covenants expressly authorized in this section, of like or dif-

1 ferent character, and make covenants to do or refrain from doing  
2 acts in order to better secure bonds or notes or that, in the  
3 absolute discretion of the board, will tend to make bonds or  
4 notes more marketable.

5 Sec. 42.40.580. INTERIM RECEIPTS, TEMPORARY BONDS, AND  
6 TEMPORARY BOND ANTICIPATION NOTES. Before the preparation of  
7 definitive bonds or bond anticipation notes, the corporation may  
8 issue interim receipts or temporary bonds or bond anticipation  
9 notes, with or without coupons, exchangeable for bonds or bond  
10 anticipation notes when these definitive bonds or bond antici-  
11 pation notes have been executed and are available for delivery.

12 Sec. 42.40.590. VALIDITY OF SIGNATURES. If an officer  
13 whose signature or a facsimile of whose signature appears on  
14 bonds, notes, or coupons attached to them ceases to be an officer  
15 before the delivery of the bond, note, or coupon, the signature  
16 or facsimile is valid the same as if the person had remained in  
17 office until delivery.

18 Sec. 42.40.600. INDEPENDENT FINANCIAL ADVISOR. In negotia-  
19 ting the private sale of bonds or bond anticipation notes to an  
20 underwriter, the board shall retain a financial advisor who is  
21 independent from the underwriter.

22 Sec. 42.40.610. VALIDITY OF PLEDGE. (a) The pledge of  
23 assets or revenue of the corporation to the payment of the prin-  
24 cipal or interest on bonds or notes of the corporation is valid  
25 and binding from the time the pledge is made and the assets or  
26 revenue are immediately subject to the lien of the pledge without  
27 physical delivery or further act. The lien of a pledge is valid  
28 and binding against all parties having claims of any kind against  
29 the corporation, irrespective of whether those parties have

1 notice of the lien of the pledge.

2 (b) Nothing in this section prohibits the corporation from  
3 selling assets subject to a pledge, except that a sale may be re-  
4 stricted by the trust agreement or resolution providing for the  
5 issuance of the bonds or notes.

6 Sec. 42.40.62. REMEDIES. A holder of bonds or notes  
7 issued under this chapter or of coupons attached to them, and a  
8 trustee under a trust agreement or resolution authorizing the  
9 issuance of the bonds or notes, except as restricted by a trust  
10 agreement or resolution, either at law or in equity, may

11 (1) enforce all rights granted under this chapter, the  
12 trust agreement or resolution, or any other contract executed by  
13 the corporation under this chapter; and

14 (2) compel the performance of all duties of the corpo-  
15 ration required by this chapter or by the trust agreement or  
16 resolution.

17 Sec. 42.40.630. NEGOTIABLE INSTRUMENTS. Bonds and notes  
18 issued under this chapter and interest coupons attached to them  
19 are negotiable instruments under the laws of this state, subject  
20 only to applicable provisions for registration.

21 Sec. 42.40.640. BONDS AND NOTES ELIGIBLE FOR INVESTMENT.  
22 Bonds and notes issued under this chapter are securities in which  
23 all public officers and public bodies of the state and its poli-  
24 tical subdivisions, all insurance companies, trust companies,  
25 banking associations, investment companies, executors, admini-  
26 strators, trustees and other fiduciaries may properly and legally  
27 invest funds, including capital in their control or belonging to  
28 them. These bonds and notes may be deposited with a state or  
29 municipal officer of an agency or political subdivision of the

1 state for any purpose for which the deposit of bonds or notes of  
2 the state is authorized by law.

3 Sec. 42.40.650. REFUNDING BONDS. (a) The corporation may  
4 provide for the issuance of refunding bonds for the purpose of  
5 refunding bonds then outstanding that have been issued under this  
6 chapter, including the payment of a redemption premium on them  
7 and interest that accrues to the date of redemption of the bonds.  
8 Refunding bonds shall be issued in accordance with provisions of  
9 this chapter that relate to the issuance of bonds to the extent  
10 those provisions are appropriate.

11 (b) Refunding bonds may be sold or exchanged for out-  
12 standing bonds issued under this chapter and the proceeds may be  
13 applied to the purchase, redemption or payment of the outstanding  
14 bonds in addition to other authorized purposes. Pending the  
15 application of the proceeds of refunding bonds to the payment of  
16 the principal, accrued interest and redemption premium on the  
17 bonds being refunded, and, if permitted in the resolution autho-  
18 rizing the issuance of the refunding bonds or in the trust agree-  
19 ment securing them, to the payment of interest on the refunding  
20 bonds and expenses in connection with the refunding, the proceeds  
21 may be invested in direct obligations of the United States or  
22 obligations the principal of and the interest on which are uncon-  
23 ditionally guaranteed by the United States that mature or may be  
24 redeemed not later than the date the proceeds of the refunding  
25 bonds, together with the interest accruing on them, will be  
26 required for the purposes intended.

27 Sec. 42.40.660. CREDIT OF STATE NOT PLEDGED. (a) The  
28 state and its political subdivisions are not liable for the debts  
29 of the corporation. Bonds and notes issued under this chapter

1 are payable solely from the revenue or assets of the corporation  
2 and do not constitute a

3 (1) debt, liability, or obligation of the state or of  
4 a political subdivision of the state; or

5 (2) pledge of the faith and credit of the state  
6 or of a political subdivision of the state.

7 (b) The corporation may not pledge the credit or the taxing  
8 power of the state or its political subdivisions. Each bond and  
9 note issued under this chapter shall contain on its face a state-  
10 ment that

11 (1) the corporation is not obligated to pay it or the  
12 interest on it except from the revenue or assets pledged for it;  
13 and

14 (2) neither the faith and credit nor the taxing power  
15 of the state or of a political subdivision of the state is  
16 pledged to the payment of it.

17 Sec. 42.40.670. OFFICERS NOT LIABLE. An officer or em-  
18 ployee of the corporation is not subject to personal liability or  
19 accountability because of the execution or issuance of bonds or  
20 notes.

21 Sec. 42.40.680. EXEMPTION FROM TAXATION. \*(a) The real and  
22 personal property of the corporation and its assets, income, and  
23 receipts are exempt from all taxes and special assessments of the  
24 state or a political subdivision of the state.

25 (b) This section does not affect or limit an exemption  
26 from license fees, property taxes, or excise, income or other  
27 taxes, provided under any other law, nor does it create a tax  
28 exemption with respect to the interest of any business enterprise

29 \*Problem - future analysis

1 or other person, other than the corporation.

2 (c) The exercise of the powers granted by this chapter  
3 shall be in all respects for the benefit of the people of the  
4 state, for their well-being and prosperity, and for the improve-  
5 ment of their social and economic conditions. Therefore, the  
6 corporation is not required to pay a tax or assessment on pro-  
7 perty owned by the corporation under the provisions of this  
8 chapter or on the income from the property.

9 (d) Bonds and notes issued under this chapter are issued by  
10 a body corporate and public of the state and for an essential  
11 public and governmental purpose. Therefore, the bonds and notes,  
12 the interest and income from them, and all fees, charges, funds,  
13 revenue, income and other money pledged or available to pay or  
14 secure the payment of the bonds and notes or interest on them,  
15 are exempt from taxation except for inheritance, transfer, and  
16 estate taxes.

17 Sec. 42.40.690. REVERSION OF ASSETS. If the corporation  
18 ceases to exist, for whatever reason, its assets revert to the  
19 state.

20 ARTICLE 7. PERSONNEL AND LABOR RELATIONS.

21 *Don't Mark  
- Help -* Sec. 42.40.700 PERSONNEL. Employees of the Alaska Railroad  
22 are employees of the corporation and not of the state. The  
23 provisions of AS 39 do not apply to employees of the corporation.

24 Sec. 42.40.710. COLLECTIVE BARGAINING RIGHTS. (a) The  
25 provisions of the Public Employee Relations Act (AS 23.40) do not  
26 apply to the corporation or to its employees. However, employees  
27 of the corporation, except the chief executive official and other  
28 executive officials appointed by the chief executive official,  
29 may self organize and form, join, or assist an organization to

1 engage in collective bargaining with respect to wages, hours and  
2 other terms and conditions of employment.

3 (b) The collective bargaining agreements between the  
4 corporation and its employees shall remain in effect consistent  
5 with 45 U.S.C. 1206 (Alaska Railroad Transfer Act of 1982).

6 Sec. 2.40.720. AGREEMENT. (a) ~~At the request of either~~  
7 ~~the board of directors of the corporation or an employee organ-~~  
8 ~~ization,~~ <sup>the</sup> Department of Administration <sup>may</sup> shall participate in  
9 labor negotiations.

10 (b) An agreement executed between the corporation and an  
11 employee organization shall define "grievances." The agreement  
12 shall provide for a grievance procedure in which the final step  
13 in the procedure is binding arbitration.

14 Sec. 42.40.730. RAILROAD EMPLOYEES LABOR RELATIONS  
15 AGENCY.

16 (a) There is established a railroad employees labor  
17 relations agency which consists of three members appointed by the  
18 governor. One member shall be a member of the labor relations  
19 agency (AS 23.40). Members serve at the pleasure of the gover-  
20 nor.

21 (b) The railroad labor relations agency shall perform  
22 the functions described in AS 23.40.090 -- 23.40.190 to carry  
23 out the provisions of the article.

24 (c) Members of the railroad employees labor relations  
25 agency receive no compensation for their services, but are en-  
26 titled to per diem and travel expenses authorized for boards and  
27 commissions.

28 Sec. 42.40.740. STRIKES. (a) Employees of the corporation  
29 may engage in a strike if a majority of the employees in a

1 collective bargaining unit vote by secret ballot to do so.

2 (b) Notwithstanding the provisions of subsection (a), the  
3 employees and the corporation may agree in writing to submit a  
4 dispute arising from interpretation or application of a col-  
5 lective bargaining agreement to arbitration.

6 Sec. 42.40.750. POLITICAL ACTIVITIES. (a) Money, assets,  
7 or property of the corporation may not be used for political  
8 activity. However, board members and employees of the corpo-  
9 ration may communicate with and appear before committees of  
10 Congress, the state legislature, and municipal governing bodies  
11 in connection with matters directly affecting the corporation. *Accept*

12 \*(b) A board member or employee who violates the provisions  
13 of this section is personally subject to a civil penalty assessed  
14 by a judge of the superior court in an amount not to exceed  
15 \$5,000. An action to enforce this section may be brought by any  
16 person.

17 Sec. 42.40.760. PROHIBITED ACTS. (a) The railroad  
18 *Ch. R. Executive*  
~~corporation~~ officer, or any person employed by the corporation  
19 may not directly or indirectly:

20 (1) require or coerce any employee of the corporation  
21 to participate in any way in any activity or undertaking unless  
22 the activity or undertaking is related to the performance of  
23 official duties;

24 (2) require or coerce any employee of the corporation  
25 to make any report concerning any of his *her* activities or under-  
26 takings unless the activity or undertaking is related to the  
27 performance of his official duties.

28 (3) except as directly related to the performance of  
29 his *her* official duties, require or coerce any employee of the corpo-

1 ration to submit to any interrogation or examination or psycho-  
2 logical test which is designed to elicit from him information  
3 concerning

4 (A) his personal relationship with any person  
5 connected with him by blood or marriage,

6 (B) his religious beliefs or practices,

7 (C) sexual matters,

8 (D) his political affiliation or philosophy;

9 (4) coerce any employee of the corporation to invest  
10 or contribute his earnings in any manner or for any purpose;

11 (5) restrict or attempt to restrict after-working-hour  
12 statements, pronouncements or other activities, not otherwise  
13 prohibited by law or personnel rule, of any employee of the  
14 corporation, if the employee does not purport to speak or act in  
15 an official capacity.

16 (b) The provisions of (a) of this section do not diminish  
17 the authority of an authorized law enforcement agency to conduct  
18 criminal investigations of corporation employees suspected of  
19 being involved in criminal activity.

20  
21 **ARTICLE 8. GENERAL PROVISIONS.**

22 **Sec. 42.40.900. APPLICATION OF EXISTING STANDARDS.** The  
23 Alaska Railroad Corporation is not subject to the jurisdiction of  
24 the Alaska Transportation Commission. The following laws do not  
25 apply to the operations of the Alaska Railroad Corporation:

26 (1) AS 19;

27 (2) AS 30.15;

28 (3) AS 35;

29 \*Problem - future analysis

- 1           \*(4) AS 37.05;  
2           \*(5) AS 37.07;  
3           (6) AS 37.10.010 - 37.10.060;  
4           (7) AS 37.10.085;  
5           (8) AS 37.20;  
6           (9) AS 37.25;  
7           \*{10) AS 44.62.040 - 44.62.320.

8           Sec. 42.40.910. CONFLICTING LAWS INAPPLICABLE. IF  
9 provisions of AS 42.40.010 - 42.40.990 conflict with the pro-  
10 visions of other law, the provisions of AS 42.40.010 - 42.40.990  
11 prevail. Provisions of this Act shall be construed so that they  
12 do not conflict with 45 U.S.C. 1202 - 1214 (Alaska Railroad  
13 Transfer Act of 1982).

14           Sec. 42.40.950. DEFINITIONS. In this chapter,

15           (1) "board" means the board of directors of the Alaska  
16 Railroad Corporation;

17           (2) "corporation" means the Alaska Railroad Corpo-  
18 ration;

19           (3) "date of transfer" means the date on which the  
20 United States Secretary of Transportation delivers the deed of  
21 conveyance for the properties of the Alaska Railroad under 45  
22 U.S.C. 1202-1214 (Alaska Railroad Transfer Act of 1982);

23           (4) "employees" means all persons employed by the  
24 corporation including executive officials;

25           \*(5) "railroad utility corridor" means a right-of-way  
26 for railroad and related purposes as defined in 45 U.S.C.  
27 1202(11) (Alaska Railroad Transfer Act of 1982).

28           (6) "land" means all interests in real property,

29           \*Problem - future analysis

1 including tide and submerged land;

2 (7) "rail properties" means all real and personal  
3 property, tangible and intangible, of the corporation as provided  
4 in 45 USC 1202(10).

5 (8) "executive officials" means the authority's chief  
6 executive officer, assistant chief executive officer, assistant  
7 to the chief executive officer, chief of administration, super-  
8 intendent of transportation, manager of marketing and sales,  
9 chief engineer, chief mechanical officer, manager of industrial  
10 development and real estate, manager of budget and accounting,  
11 manager of planning, manager of personnel, manager of supply and  
12 procurement, chief of security, manager of operating rules,  
13 manager of data processing, or any employee of the authority who  
14 fulfills the management functions under a different title or who  
15 exercises a similar or comparable level of responsibility if so  
16 designated by the board;

17 (9) "Collective bargaining" is defined as negotiating  
18 with an employees organization, representing ~~the~~ employees of The  
19 Alaska Railroad Corporation on matters pertaining to conditions  
20 of employment.

21 Sec. 42.40.990. SHORT TITLE. This chapter may be re-  
22 ferred to as the Alaska Railroad Corporation Act of 1984.

23 \* Sec. 3. AS 42.40.030 is amended to read:

24 Sec. 42.40.030. TERM OF OFFICE: REMOVAL. (a) Except for  
25 the commissioner of Commerce and Economic Development, the voting  
26 members of the board serve for staggered terms of five years each  
27 [, AND SERVE AT THE PLEASURE OF THE GOVERNOR DURING THEIR TERMS].

28 \* Sec. 4. AS 42.40.030 is amended by adding a new subsec-  
29 tion to read:

1 (b) The governor may, by written notice to the member,  
2 remove a member from the board for

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

5 (2) continued refusal or inability to attend meetings  
6 of the board; or

7 (3) conviction of a felony.

8 *Agreed* (4) *any conviction of a felony whether or not it constitutes a crime*  
\* Sec. 5. AS 42.40.100(a) is amended to read:

9 (a) The board shall appoint the chief executive officer of  
10 the corporation [SUBJECT TO THE APPROVAL BY THE GOVERNOR]. The  
11 chief executive officer serves at the pleasure of the board. The  
12 board shall fix compensation for the chief executive officer.

13 ~~Step~~ \* Sec. 6. SPECIAL REPORT. The governor shall contract with  
14 a private consultant for the preparation of a report on the long-  
15 term operations of the railroad that are in the best interest of  
16 the state. The report shall be submitted to the governor and the  
17 legislature by January 1, 1988. It shall contain specific recom-  
18 mendations on operational alternatives and the transfer of all or  
19 part of the railroad operation to the private sector.

20 \* Sec. 7. APPOINTMENT OF FIRST BOARD OF DIRECTORS OF ALASKA  
21 RAILROAD CORPORATION. Notwithstanding AS 42.40.030 enacted in  
22 Sec. 2 of this Act, the terms of the appointed members of the  
23 first board of directors of the Alaska Railroad Corporation as  
24 follows:

- 25 (1) one shall serve a term of two years;  
26 (2) one shall serve a term of three years;  
27 (3) two shall serve a term of four years; and  
28 (4) two shall serve a term of five years.

29 \*Problem - future analysis

1           \* Sec. 8. PRE-EXISTING RULES, REGULATIONS AND ORDERS OF THE  
2 ALASKA RAILROAD. The Board of <sup>Directors</sup> ~~Commissioners~~ of the Alaska Rail-  
3 road Corporation, by resolution, may continue in force after date  
4 of transfer all or part of the rules, regulations, and orders of  
5 the Alaska Railroad which were in effect one day before the date  
6 of transfer and are not inconsistent with this chapter or other  
7 state law. The Board of Directors may adopt in its rules, regu-  
8 lations, and orders the substance of former federal authorities  
9 relating to the Alaska Railroad. This adoption is not considered  
10 a continuation of the federal authorities if made in compliance  
11 with the procedural requirements of this chapter and other appli-  
12 cable law.

13           \* Sec. 9. COLLECTIVE BARGAINING AGREEMENT BETWEEN THE  
14 ALASKA RAILROAD CORPORATION AND EMPLOYEES. As soon as practi-  
15 cable after <sup>abolishment of Corp. & transfer to</sup> transfer of the Alaska Railroad, the Alaska Railroad  
16 Corporation and its employees shall adopt collective bargaining  
17 agreements that continue the provisions of the agreements in  
18 effect between the Alaska Railroad and its employees immediately  
19 before transfer of the Alaska Railroad. The collective bargain-  
20 ing agreements between the corporation and its employees shall  
21 remain in effect consistent with 45 U.S.C. 1202-1214 (Alaska  
22 Railroad Transfer Act of 1982).

23           \* Sec. 10. Sections 3 - 5 of this Act take effect on the  
24 effective date of an amendment to the Constitution of the State  
25 of Alaska relating to the Alaska Railroad.

26           \* Sec. 11. Sections 1, 2, 6, 7, 8 and 9 of this Act take  
27 effect immediately in accordance with AS 01.10.070.(c).

28  
29           \*Problem - future analysis

3/10/84 Draft

1  
2 IN THE HOUSE

3 HOUSE BILL NO. 512

4 " IN THE LEGISLATURE OF THE STATE OF ALASKA

5 THIRTEENTH LEGISLATURE - SECOND SESSION

6 A BILL

7 For an Act entitled: "An Act establishing the Alaska Railroad  
8 Corporation to manage and operate the Alaska  
9 Railroad; and providing for an effective date."

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

11 \* Section 1. LEGISLATIVE FINDINGS AND PURPOSE.

12 (a) The Legislature finds that

13 (1) It is the policy of the state to

14 (A) provide safe, economical, and efficient transportation  
15 to residents, businesses, visitors, and military installations in the  
16 state;

17 (B) foster and promote the long-term economic growth and  
18 development of the state;

19 (C) develop and implement plans for a transportation  
20 network;

21 (D) foster and promote the development of the state's land  
22 and natural resources;

23 (2) the Alaska Railroad is an essential part of the state  
24 transportation network that may, unless preserved by state action,  
25 cease to be a transportation option in Alaska;

26 (3) the federal government has offered to the state the option  
27 of taking over the Alaska Railroad to ensure its continued existence;

28 (4) it is in the state's best interest to accept the railroad  
29 under the terms and conditions offered by the United States

government;

1  
2 (5) there is vast potential in Alaska's natural resource areas  
3 and extension of the Alaska Railroad into natural resource areas is  
4 necessary for long-term economic growth.

5 (b) It is the purpose of this Act to create a viable economic entity  
6 with the powers and duties necessary to operate and manage the Alaska  
7 Railroad pending eventual transfer to the private sector for ownership  
8 or operation or both consistent with 45 U.S.C. 1201-1214 (Alaska  
9 Railroad Transfer Act of 1982). It is the purpose of the legislature  
10 to

11 (1) provide for the level of service that best satisfies the  
12 needs of the people of the state;

13 (2) create a public corporation with the powers, duties, and  
14 functions needed to operate the Alaska Railroad and manage its rail,  
15 industrial, port and other properties in the best interest of the  
16 people of the state by insuring that the corporation will

17 (A) be exclusively responsible for the management of the  
18 financial and legal obligations of the Alaska Railroad rather than the  
19 state;

20 (B) operate the railroad as a common carrier subject to the  
21 jurisdiction of the United States Interstate Commerce Commission  
22 consistent with 45 U.S.C. 1207;

23 (C) have the ability to raise capital by issuing  
24 obligations exempt from federal and state taxation;

25 (D) carry out its responsibilities on a self-sustaining  
26 basis;

27 (E) provide the best possible combination of types and  
28 levels of safe, efficient, and economical transportation to meet the  
29 overall needs of the state, supported when necessary by state

investment;

(F) provide for the prudent operation of the railroad according to sound business management practices; and

(3) insure that borrowing by the corporation does not directly or indirectly endanger the state's own borrowing capacity.

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

CHAPTER 40. ALASKA RAILROAD CORPORATION.

ARTICLE 1. ESTABLISHMENT AND ORGANIZATION.

Sec. 42.40.010. ESTABLISHMENT OF THE CORPORATION. There is established the Alaska Railroad Corporation. The corporation is a public corporation and for the purposes of art. III sec. 22, Constitution of the State of Alaska, is an instrumentality of the state within the Department of Commerce and Economic Development, but the corporation has a legal existence independent of and separate from the state. The exercise by the corporation of the powers provided in this chapter is considered an essential governmental function of the state.

Sec. 42.40.020. BOARD OF DIRECTORS. (a) The powers of the corporation are vested in the board of directors. The board consists of the commissioner of the Department of Commerce and Economic Development and eight voting members appointed by the governor. These eight members must be residents of and registered voters in the state except as provided in (b) and (c) of this section. No more than two of these members may be from any one of the four judicial districts in the state. The public [voting] members must have substantial experience or professional training and expertise in fields relevant to the purposes of this chapter, including, but not limited to

1 transportation, business, and finance. Except for the commissioner of  
2 commerce and economic development, a voting member may not be a  
3 state officer or employee.

4 (1) One voting member [shall] may be or have been an  
5 executive official of an American railroad that is not now or was  
6 never a connecting carrier of the Alaska railroad.

7 (2) One person may be appointed by the governor to be a  
8 voting member of the board, if, at the time of appointment, the person  
9 has at least 10 years of experience in management of railroads.

10 (3) One [an] employee of the corporation from an empolyee  
11 barqaining unit appointed by the governor to represent the employees;

12 (4) the chief executive officer of the corporation.

13 (b) The voting members of the board shall be confirmed by a  
14 majority of the membership of the legislature in joint session. A  
15 member appointed by the governor has the full powers and responsibili-  
16 ties of a confirmed board member unless and until the member has been  
17 rejected by the legislature.

18 (c) The board shall elect from its membership a chairperson and  
19 vice-chairperson and prescribe their specific duties by rule.

20 (d) The board shall appoint a secretary and prescribe the spe-  
21 cific duties of the secretary.

22 (e) The chairperson shall call meetings of the board at least  
23 once every three months. The chairperson may call other meetings of  
24 the board as the chairperson considers necessary. The chairperson  
25 shall preside at meetings of the board.

26 Sec. 42.40.030. TERM OF OFFICE AND REMOVAL. Except for the  
27 commissioner of commerce and economic development, the appointed  
28 members of the board serve for staggered terms of five years each, and  
29 serve at the pleasure of the governor during their terms..

1           Sec. 42.40.040. VACANCIES. (a) A vacancy on the board is  
2 filled by appointment by the governor, and the appointment must be  
3 confirmed by the legislature in joint session. A member selected to  
4 fill a vacancy holds office for the balance of the term for which the  
5 member's predecessor is appointed.

6           (b) A vacancy on the board does not impair the authority of a  
7 quorum of members to exercise the powers and perform the duties of the  
8 board.

9           (c) A member whose term has expired shall serve until a succes-  
10 sor has been appointed.

11           Sec. 42.40.050. COMPENSATION AND EXPENSES. (a) An appointed  
12 member of the board is entitled to compensation at a rate of [\$250]  
13 \$400 for each day the member is engaged in the actual performance of  
14 duties as a member of the board. The board may provide by rule for  
15 compensation for partial days during which a member is engaged in the  
16 actual performance of duties.

17           (b) In addition to compensation under (a) of this section, an  
18 appointed member of the board is entitled to per diem and travel  
19 expenses authorized by law for state boards and commissions.

20           Sec. 42.40.060. QUORUM. [Four] Five voting members of the board  
21 constitute a quorum for the transaction of business.

22           Sec. 42.40.070. VOTING. [Four] Five affirmative votes are  
23 required for board action. The board shall provide by rule for the  
24 manner of voting, except that the board may not provide for voting by  
25 proxy. The rules may provide for voting and conferring by means of  
26 telecommunication devices.

27                           ARTICLE 2. MANAGEMENT.

28           Sec. 42.40.090. MANAGEMENT BY THE BOARD. The board is responsible  
29 for the management of the corporation but shall delegate certain

1 powers and duties to the chief executive officer in accordance with AS  
2 42.40.110. In carrying out its responsibilities under this section  
3 the board shall, subject to AS 42.40.110,

4 (1) be responsible for the management of the financial and  
5 legal obligations of the Alaska Railroad;

6 (2) operate the Alaska Railroad as a common carrier;  
7 subject to the jurisdiction of the United States Interstate Commerce  
8 Commission consistent with 45 U.S.C. 1207;

9 (3) Generally manage the corporation on a self-sustaining  
10 basis

11 *Use brought*  
12 (4) notify the legislature of any possible application for  
13 state appropriation for any service which is not self-sustaining.

14 (5) provide for safe, efficient, and economical  
15 transportation to meet the overall needs of the state;

16 (6) raise needed capital by issuing obligations of the  
17 corporation while insuring that borrowing by the corporation does not  
18 directly or indirectly endanger the state's own borrowing capacity.

19 (7) review all public and private land disposals in  
20 planning for future development or expansion.

21 Sec. 42.40.100. EXECUTIVE OFFICERS. (a) The board shall appoint the  
22 chief executive officer of the corporation. [subject to the approval  
23 by the Governor.] The chief executive officer serves at the pleasure  
24 of the board. The board shall fix compensation for the chief  
25 executive officer.

26 (b) The chief executive officer of the corporation shall appoint  
27 and fix the compensation for other executive officers. The appoint-  
28 ment of other executive officers and their compensation are subject to  
29 board approval.

Sec. 42.40.110. DELEGATION. (a) The board shall by rule delegate

1 powers and duties necessary and appropriate for the management of the  
2 daily affairs and operations of the corporation to the chief executive  
3 officer, subject to a requirement of board concurrence or  
4 authorization imposed by the rules.

5 (b) Within 180 days of the first meeting of the board, the board  
6 shall by rule delegate the following activities of the corporation to  
7 the chief executive officer or other executive officers designated by  
8 the board:

9 (1) leasing, granting easements in, issuing permits for the  
10 use of, or conveying other interests that do not constitute a transfer  
11 of the corporation's entire interest in real property of the corpora-  
12 tion;

13 (2) establishing specific rates, tariffs, divisions, and  
14 contract rate agreements;

15 (3) making routine changes in service levels; and

16 (4) performing procurement activities.

17 (c) Specific board approval [authorization or concurrence] is  
18 required for the following:

19 (1) transferring the corporation's entire interest in real  
20 property; other than the execution of a release of a lien or  
21 satisfaction of a mortgage after payment has been received;

22 (2) issuing notes, debentures, and bonds;

23 (3) mortgaging or pledging corporation assets;

24 (4) donating property, or other assets belonging to the  
25 corporation;

26 (5) acting as a surety or guarantor;

27 (6) adopting a long-range program and capital improvement  
28 plan subject to Sec. 42.40.310;  
29

1 (7) certifying annual reports;

2 (8) effecting generally applicable increases and decreases  
3 in rates other than those periodically approved by the United States  
4 Interstate Commerce Commission;

5 (9) diversification and major expansion or reducing  
6 services beyond those provided on the date of transfer or as provided  
7 under this chapter;

8 (10) expanding the main or branch lines, other than perform-  
9 ing routine track alignment as necessary to maintain service levels in  
10 effect on the date of transfer; and

11 (11) selecting independent auditors and accountants.

12 (12) certifying collective bargaining agreements with  
13 railroad employees as provided by AS. 42.40.700;

14 (13) capital projects with an estimated completion cost in  
15 excess of \$500,000 or an estimated completion time of more than one  
16 year;

17 (14) the exercise of the power of eminent domain.

18 ~~ARTICLE 3. ADMINISTRATIVE PROVISIONS.~~

19 ~~Sec. 42.40.200. CONFLICTS OF INTEREST.~~ (a) Except as provided  
20 in this section, a board member or employee of the corporation [authority]  
21 may not participate in a decision of the corporation [authority] in which  
22 that person or a member of that person's immediate family has a direct or  
23 indirect financial interest unless the financial interest is a remote  
24 financial interest and participation is approved under (b) of this section.  
25 For purposes of this section, "participate in a decision" includes all  
26 discussions, deliberations, preliminary negotiations, and votes concerning  
27 a matter that is the subject of formal action by the board.

28 (b) A board member or employee may participate in a decision if  
29 that person or a member of that persons immediate family has only a

1 remote interest and if the fact and extent of the interest is  
2 disclosed to the board in a public meeting and is noted in the minutes  
3 of the board before any participation by the member or employee in the  
4 decision, and thereafter in a public meeting the board authorizes or  
5 approves the participation by a vote of its membership excluding the  
6 interested member or employee. As used in this subsection, "remote  
7 interest" means interests that in good faith are defined as remote by  
8 rules adopted by the corporation.

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

13 (d) Within 120 days of the first meeting of the board, the board  
14 shall adopt and may subsequently amend rules implementing this  
15 section, providing additional conflict of interest and ethical rules  
16 it considers appropriate, and providing for the removal by the board  
17 of a board member or employee who intentionally violates a prohibition  
18 contained in this section.

19 Sec. 42.40.210. PUBLIC BOARD MEETINGS. (a) The meetings of the  
20 board are public with the exception of an executive session conducted  
21 under AS 44.62.310 and (b) of this section.

22 (b) In addition to those subjects that may be discussed in  
23 executive session under AS 44.62.310, the board may consider in execu-  
24 tive session matters that pertain to personnel, the corporation's  
25 legal position, land acquisition or disposal, or proprietary informa-  
26 tion, as defined in a manner consistent with the standards and prac-  
27 tices of the United States Interstate Commerce Commission for protec-  
28 tion of information including but not limited to proprietary  
29

1 information associated with specific shippers, divisions, and contract  
2 rate agreements.

3 Sec 42.40.220. MINUTES AND NOTICE OF MEETINGS. The board shall  
4 keep minutes of each meeting and shall send a certified copy of the  
5 minutes of the public portion of each meeting to the governor and the  
6 leadership of the legislature. The board shall provide by rule for  
7 advance public notice for its meetings.

8 \*\*\*\*\* Sec. 42.40.230. RULES. (a) The board shall establish a  
9 procedure for adopting rules to carry out its functions and the  
10 purposes of this chapter. Within 90 days after its first meeting the  
11 board shall adopt rules establishing a procedure for giving advance  
12 public notice and an opportunity for the public to comment on proposed  
13 regulations of the authority that in the determination of the board,  
14 will have a substantial impact on the public or be used in the  
15 corporations dealings with a significant segment of the public.

16 (b) The rules shall also include a procedure for the  
17 adoption of emergency rules when the adoption of an emergency rule is  
18 essential to continue or to reinstate the orderly operation of the  
19 corporation's facilities or program.

20 Sec. 42.40.240. PUBLIC DISCLOSURE OF INFORMATION. (a) Except  
21 as provided by rule of the corporation under (b) of this section,  
22 information in the possession of the corporation is public and is open  
23 to public inspection at reasonable times.

24 (b) The corporation may by rule designate and withhold public  
25 disclosure of matters of a nonpublic, privileged, or proprietary  
26 nature. Those matters include personnel records, communications with  
27 and work product of counsel consistent with the standards and  
28 practices of the United States Interstate Commerce Commission for the  
29

1 protection of these matters, and information including but not limited  
2 to specific shippers, divisions, and contract rate agreements.

3 Sec. 42.40.260. ANNUAL REPORT. Within 90 days following the end  
4 of the fiscal year of the railroad the board shall direct preparation  
5 of, certify and distribute to the governor and to the legislature a  
6 report describing the operations and financial condition of the corpo-  
7 ration during the preceding fiscal year. The plans may include  
8 suggestions for legislation relating to the structure, powers, or  
9 duties of the corporation or relating to operation of facilities of  
10 the corporation. This report shall include a breakdown of a service's  
11 real costs and income in each category of railroad operations.

12 Sec. 42.40.270. ANNUAL AUDIT. The board shall have the finan-  
13 cial records of the corporation audited annually by an independent  
14 certified public accountant experienced in railroad accounting. The  
15 corporation shall make all of its financial records available to an  
16 auditor appointed by the governor or to the legislative audit division  
17 for examination. Disclosure to the public by the auditor or legisla-  
18 tive audit division of this information is subject to AS 42.40.240 and  
19 rules implementing that section.

20 *52- 42.40.280* → *Added*  
ARTICLE 4. POWERS AND DUTIES.

21 Sec. 42.40.300. GENERAL POWERS. In addition to the exercise of  
22 other powers authorized by law, the corporation may

- 23 (1) adopt a seal;
- 24 (2) adopt rules and bylaws governing the business of the  
25 corporation;
- 26 (3) sue and be sued;
- 27 (4) appoint trustees and agents of the corporation and  
28 prescribe their powers and duties;
- 29 (5) hire legal counsel to represent the corporation;

1 (6) make contracts and execute instruments necessary or  
2 convenient in the exercise of its powers and duties;

3 (7) acquire by purchase, lease, bequest, devise, gift,  
4 exchange, the satisfaction of debts, the foreclosure of mortgages, or  
5 otherwise, real or personal property, rights, rights-of-way, fran-  
6 chises, easements, and other interest in land, including land lying  
7 under water and appropriation of water rights that are located in the  
8 state, taking title to the property in the name of the corporation;

9 (8) acquire property by eminent domain in accordance with  
10 AS 42.40.430:

11 (9) hold, maintain, use, operate, lease, exchange, donate,  
12 improve, convey, alienate, dispose of, mortgage, encumber, and  
13 otherwise grant security interests in or transfer any real or personal  
14 property including facilities and equipment;

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

19 (11) undertake and provide for the management, operation,  
20 maintenance, use, and control of all of the properties of the corpo-  
21 ration including, the tracks, equipment and other property transferred  
22 to it by the federal government or by any person;

23 (12) recommend to the legislature and the governor any tax,  
24 financing, or financial arrangement the corporation considers appro-  
25 priate to carry out the duties under this chapter

26 (13) maintain offices and facilities at places it desig-  
27 nates;

28 (14) acquire, hold, and disperse of Stocks, memberships,  
29 contracts, bonds, general or limited partnership interests or other

1 interests in another corporation, association, partnership, joint venture,  
2 or other legal entity, and exercise the powers or rights in connection with  
3 these interests which are provided in contracts or agreements and that are  
4 allowed by law concerning the satisfaction of debts;

5 (15) undertake and provide for the acquisition, construction,  
6 maintenance, equipping, and operation of connecting, switching, terminal, or  
7 other railroads and railroad facilities in the state;

8 (16) apply to the appropriate agencies of the state, the  
9 United States, and a foreign country or other proper agencies for the  
10 permits, licenses, or approvals necessary to construct, maintain, and  
11 operate railroad transportation services, and to obtain, hold, and  
12 reuse the licenses and permits in the same manner as other operating  
13 units or persons;

14 (17) prescribe rates to be charged for services provided by  
15 the Alaska Railroad in accordance with 45 U.S.C. 1201-1214 (Alaska  
16 Railroad Transfer Act of 1982);

17 (18) determine the routes, schedules, and types of service  
18 to be provided by the Alaska Railroad;

19 (19) enter into contracts, leases or other agreements with  
20 connecting carriers and shippers, and other persons concerning the  
21 services, activities, operations, properties, and facilities of the  
22 railroad. including contracts leases and other agreements that contain  
23 provisions intended to preserve and expand the railroad's traffic  
24 base;

25 (20) plan for and undertake expansion of the railroad and  
26 railroad activities, including extension of the Alaska Railroad's rail  
27 system, and contract with other modes of transportation service con-  
28 necting to the railroad's rail services;

29

1 (21) adopt rules that are designed to safeguard property  
2 owned, managed, or transported by the corporation and to protect  
3 employees and persons using the corporation's property or services;

4 (22) hire and discharge railroad personnel and determine  
5 benefits and other terms and conditions of employment established in  
6 accordance with obligations imposed by 45 U.S.C. 1201-1214 (Alaska  
7 Railroad Transfer Act of 1982);

8 (23) assume and satisfy liabilities of the United States or  
9 its agencies as provided by 45 U.S.C. 1201-1214 (Alaska Railroad  
10 Transfer Act of 1982 \*\*\*\*\*and the closing report or its substantive  
11 equivalent as accepted by the legislature;

12 (24) maintain a security force to enforce state law and the  
13 corporations rules with respect to violations that occur on or to  
14 property owned, managed or transported by the corporation;

15 (25) borrow money and issue its bonds or notes and provide  
16 for and secure their payment, provide for the rights of their holders  
17 and purchase, hold, or dispose of its bonds or notes;

18 (26) secure the payment of its obligations by pledge or  
19 mortgage or other lien on its contracts, revenues, income, or proper-  
20 ty;

21 (27) consent to the modification of the rate of interest,  
22 time of payment of an installment of principal or interest, or other  
23 term of a loan, contract, or agreement to which the corporation is a  
24 party;

25 (28) include in any borrowing the amounts necessary to  
26 establish reasonable reserves and pay financing charges and interest  
27 on the obligations for a reasonable period after which the corporation  
28 estimates funds will be otherwise available to pay the interest,  
29

1 consultant, advisory, and legal fees, and other expenses necessary or  
2 incident to borrowing;

3 (29) purchase the corporation's bonds at a price not more  
4 than the principal amount of them plus interest; and

5 (30) cancel bonds purchased under (29) of this section;

6 (31) adopt rules having the force of law that require  
7 designated classes of proprietary information and communications to be  
8 held confidential;

9 (32) do all things necessary, convenient and desirable to  
10 carry out the powers and duties expressly granted or necessarily  
11 implied in this chapter or under other laws of the state or the laws  
12 and regulations of the federal government.

13 Sec. 42.40.310. LONG-RANGE PROGRAM AND CAPITAL IMPROVEMENT  
14 PLANS. (a) The corporation shall prepare and the board shall adopt a  
15 long-range program plan and a capital improvement plan. The board  
16 shall consult [interface] with affected [other related] state agencies  
17 in preparation of the plans. The long-range program plan shall  
18 delineate the manner in which the corporation intends to accomplish  
19 the purposes of this chapter during each of the five years after the  
20 plan is adopted. The capital improvement plan shall present and  
21 explain the corporation's anticipated capital improvements for each of  
22 the five years after the plan is adopted. *Newlang*

23 (b) The board shall annually review and update the plans re-  
24 quired under (a) of this section. [The board may not contract for the  
25 preparation or revision of either the long-range program plan or the  
26 capital improvement plan, but shall require their preparation and  
27 revision by employees of the corporation.]

28 (c) The board shall provide copies of its updated plans to the  
29 governor and the legislature by December 1 of each year.

1           Sec. 42.40.320. USE OF CORPORATION ASSETS. (a) The corporation  
2 shall apply all money, property, other assets, and credit of the  
3 corporation toward activities authorized by this chapter. The corpo-  
4 ration may not issue shares of stock, pay dividends, make private  
5 distributions of assets, make loans to board members or employees, or  
6 engage in business for private benefit. The use of money, property,  
7 other assets, or credit of the corporation for purposes not authorized  
8 by law by persons having the possession or control of it is prohibi-  
9 ted.

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

20           ARTICLE 5. RAIL PROPERTIES.

21           Sec. 42.40.400. LAND. All land among the rail properties trans-  
22 ferred under 45 U.S.C. 1201-1214 (Alaska Railroad Transfer Act of  
23 1982) or otherwise acquired by the corporation is under the control of  
24 the corporation. As to all land that is transferred or acquired

25           (1) railroad rights-of-way or easements transferred under  
26 the federal act or otherwise acquired shall be classified as railroad  
27 utility corridors;

28           (2) future railroad utility corridors shall be of a width  
29 at least 100 feet on both sides of the centerline of the extended main

1 or branch line, or may be of other width as designated by the corpo-  
2 ration, and may be surveyed by the metes and bounds method; and

3 (3) the corporation may lease or rent portions of the  
4 utility corridor for other transportation services.

5 Sec. 42.40.420. CLASSIFICATION, ACQUISITION, AND USE OF STATE  
6 LAND FOR RAILROAD PURPOSES. (a) The board by rule may identify and  
7 request conveyance of land owned by or subject to selection by the  
8 state, including tide and submerged land and land not adjacent to a  
9 railroad corridor, as necessary or useful for present, future or  
10 intended railroad purposes. The request must include a statement of  
11 and justification for the present, future or intended railroad use.  
12 Upon submission of a request for classification and conveyance to the  
13 commissioner of natural resources, the commissioner shall temporarily  
14 classify and reserve the land identified in the request for railroad  
15 purposes and shall temporarily vacate a classification allowing dis-  
16 posal or lease of that land under laws or programs of the state. A  
17 temporary classification and vacation is subject to valid existing  
18 rights and remains in effect for 180 days.

19 (b) Within 90 days after receiving a request under (a) of this  
20 section, the commissioner of natural resources by <sup>written Decision</sup> [departmental order]  
21 shall;

22 (1) classify that land for railroad purposes and, subject  
23 to valid existing rights, convey the state's interests to the corpo-  
24 ration; or

25 (2) notify the corporation of reasons for refusal to clas-  
26 sify the land for railroad purposes.

27 (3) approve in part and deny in part the request for  
28 classification under this section.

1 (c) A conveyance under (b)(1) or (3) of this section vests in  
2 the corporation the exclusive right to extract and use for its  
3 purposes sand, gravel, rock, timber and other construction materials  
4 the land conveyed without regard to the classification of the  
5 resources as part of the surface or subsurface estate.

6 (d) The corporation may reconvey to the state land received  
7 under this section that the corporation and the commissioner of natu-  
8 ral resources jointly identify as unnecessary or unsuitable for the  
9 corporation's purposes.

10 (e) The corporation's ownership of state land entitles it to  
11 exclusive use and control of the surface, subsurface, complete sub-  
12 jacent and lateral support of the surface, subsurface, and the right  
13 to tunnel, ditch, recontour, excavate or otherwise use the subsurface  
14 for railroad, transportation, transmission, and related purposes.

15 (f) When physical conditions require that track or other right-  
16 of-way fixtures of the corporation be moved from the existing location  
17 and relocated on state-owned land adjacent to or in the vicinity of  
18 the existing right-of-way, and the chief executive officer determines  
19 that relocation is necessary to maintain safe and adequate rail op-  
20 erations, the corporation may effect the relocation with concurrence  
21 of the Department of Natural Resources. The relocation must be limi-  
22 ted to land adequate to restore or continue safe rail operations at a  
23 normal level.

24 → (g) *U.S. Dept. of Interior*  
25 Sec. 42.40.430. EMINENT DOMAIN AND ACQUISITION OF PROPERTY AND  
26 MATERIALS. (a) The corporation may exercise the power of eminent  
27 domain under AS 09.55.240 - 09.55.460 to acquire land or an interest  
28 in land for lawful purposes consistent with this chapter.  
29

1 (b) The corporation may acquire a fee simple title whenever, in  
2 the judgment of the board, ownership of a fee simple is necessary to  
3 carry out the state's lawful purposes in condemning property.

4 (c) The corporation may file a declaration of taking in the  
5 manner provided for the state under AS 09.55.420.

6 (d) The power of eminent domain conferred under this section  
7 includes the power to obtain material, including clay, gravel, sand,  
8 timber, or rock for railroad use, the land necessary to obtain the  
9 material, and access to the land and material.

10 Sec. 42.40.450. OTHER ASSETS. (a) The corporation may submit  
11 applications on its own behalf as an instrumentality of the state for  
12 acquisition of interests in federal land available under federal law  
13 that will enhance the operations of the corporation and may receive  
14 conveyances of all interests in its own name.

15 (b) The corporation, as an agency of the state, may acquire in  
16 its own name from the United States under 50 App U.S.C. 1622 et seq  
17 (the Surplus Property Act of 1944), 40 U.S.C. 471 et seq as amended  
18 (the Federal Property and Administrative Services Act of 1949), or  
19 other law, property under the control of a federal department or  
20 agency that is useful for the corporation's purposes and may acquire  
21 from the Department of Administration property of the state made  
22 available under AS 44.71.010 - 44.71.040.

23 ARTICLE 6. FINANCIAL PROVISIONS.

24 Sec. 42.40.500. LIMITATION OF LIABILITY. A liability incurred  
25 by the corporation shall be satisfied exclusively from the assets or  
26 revenue of the corporation and no creditor or other person has a right  
27 of action against the state because of a debt, obligation, or  
28 liability of the corporation.  
29

1           Sec. 42.40.520. FIDELITY BOND. The corporation shall obtain a  
2 fidelity bond in an amount determined by the board for its members and  
3 any officer responsible for accounts and finances. A bond must be in  
4 effect during the entire tenure in office of the bonded person.

5           Sec. 42.40.530. INSURANCE. (a) The corporation shall keep in  
6 force public liability insurance in an amount reasonably calculated to  
7 cover potential claims for bodily injury, death or disability and  
8 property damage that may arise from or be related to its operations  
9 and activities, naming the state as an additional insured.

10           Sec. 42.40.540. CLAIMS. (a) All claims and lawsuits  
11 involving activities of the railroad, including suits in  
12 contract, quasi-contract, or tort, shall be brought against the  
13 corporation, and not against the state.

14           (b) In a claim or other legal action against the corporation  
15 involving its activities, including the expansion, extension and  
16 construction of the railroad, in which the corporation is the  
17 prevailing party, the party or parties that maintained the action  
18 shall be liable to the corporation for its full costs and legal fees  
19 in defending the action and for the financial losses to the  
20 corporation that are directly attributable to the maintenance of that  
21 action.

22           (c) For the purposes of actionable claims, undertakings, pay-  
23 ments of judgments, execution, interest, punitive damages, statutes of  
24 limitations, bonds, costs, and similar matters related to the pres-  
25 entation and prosecution of claims by and against the corporation, the  
26 corporation and its board members and employees enjoy the same rights,  
27 privileges, and immunities as the state and state officers as provided  
28 in AS 09.10.120, AS 09.50.250 - 09.50.290, and AS 09.65.040.  
29

1 (d) Claims against the corporation are not subject to the  
2 provisions of AS 44.77.010 - 44.77.070 regarding claims against the  
3 state.

4 (e) The corporation is not subject to the provisions of AS 44.-  
5 80.010, regarding the state as a party to an action.

6 (f) The corporation may defend and indemnify a current or former  
7 employee, agent, or board member of the corporation and their  
8 successors against all costs, expenses, judgments, and liabilities,  
9 including attorney fees, incurred by or imposed upon that person in  
10 connection with a civil or criminal action in which the person is  
11 involved by affiliation with the corporation, if the person acted in  
12 good faith on behalf of the corporation and within the scope of  
13 official duties or powers.

14 Sec. 42.40.550. REVENUE. Revenue generated by or appropriated  
15 to the corporation shall be retained and managed by the corporation  
16 for railroad and related purposes as required by 45 U.S.C. 1207(a) (5)  
17 (Alaska Railroad Transfer Act of 1982).

18 Sec. 42.40.560. APPROPRIATIONS. The corporation may request,  
19 with the concurrence of the governor, a direct appropriation or grant  
20 from the legislature to assist in carrying out the provisions of  
21 AS 42.40.300 and 42.40.310.

22 Sec. 42.40.570. BONDS AND NOTES. (a) The corporation by reso-  
23 lution may issue bonds and bond anticipation notes to provide money to  
24 carry out its purposes.

25 (b) The principal and interest on bonds or notes of the corpo-  
26 ration is payable from corporation money or assets. Bonds or notes  
27 may be additionally secured by a pledge of a grant or contribution  
28 from the federal government or a corporation, association, institution  
29

1 or person, or a pledge of money, income, or revenue of the corporation  
2 from any source.

3 (c) Bond anticipation notes may be payable from the proceeds of  
4 the sale of bonds or other bond anticipation notes, or, if bond or  
5 bond anticipation note proceeds are not available, from other money or  
6 assets of the corporation.

7 (d) Bonds or bond anticipation notes may be issued in one or  
8 more series and shall, as provided by the resolution of the board,

9 (1) be dated;

10 (2) bear interest at a required rate or rates per year or  
11 within a maximum rate;

12 (3) be in a required denomination;

13 (4) be in a coupon or registered form;

14 (5) carry conversion or registration provisions;

15 (6) have a required rank or priority;

16 (7) be executed in the required manner and form;

17 (8) be payable as required from the sources, in the medium  
18 of payment, and place or places inside or outside the state;

19 (9) be subject to authentication by a trustee or fiscal  
20 agent; and

21 (10) be subject to terms of redemption with or without  
22 premium.

23 (e) Bonds or bond anticipation notes may be sold in the manner,  
24 on the terms, and at the price the board determines. Bond anticipa-  
25 tion notes shall mature at the time or times determined by the board.  
26 Bonds shall mature at the time, not exceeding 50 years from their  
27 date, determined by the board.

28 (f) The corporation may by provisions in a resolution authoriz-  
29 ing or relating to the issuance of bonds or bond anticipation notes

1 enter into the following agreements with the holders of the bonds or  
2 bond anticipation notes:

3 (1) pledge all or part of its revenue to which its right  
4 then exists or may thereafter exist, the money derived from the reve-  
5 nue, and the proceeds of its bonds or notes;

6 (2) covenant against pledging all or part of its revenue,  
7 or against permitting or suffering a lien on its revenue or property;

8 (3) covenant as to establishment of reserves or sinking  
9 funds and provide for, regulate, and dispose of the reserves or sink-  
10 ing funds;

11 (4) covenant regarding limitations on a right to sell or  
12 otherwise dispose of property of any kind;

13 (5) covenant as to bonds and notes to be issued, their  
14 limitations, terms and conditions, the custody, application and dispo-  
15 sition of the proceeds of the bonds and notes;

16 (6) covenant as to the issuance of additional bonds or  
17 notes, or limitations on the issuance of additional bonds or notes,  
18 and the incurring of other debts;

19 (7) covenant as to the payment of the principal of or  
20 interest on the bonds or notes, the sources and methods of payment,  
21 the rank or priority of the bonds or notes with respect to a lien or  
22 security, or the acceleration of the maturity of the bonds or notes;

23 (8) provide for the replacement of lost, stolen, destroyed  
24 or mutilated bonds or notes;

25 (9) covenant against extending the time for the payment of  
26 bonds or notes, or interest on the bonds or notes;

27 (10) covenant as to the redemption of bonds or notes and  
28 privileges of their exchange for other bonds or notes of the corpo-  
29 ration;

1 (11) covenant to create or authorize the creation of special  
2 funds of money to be held in pledge or otherwise for operating ex-  
3 penses, payment or redemption of bonds or notes, reserves or other  
4 purposes, and as to the use and disposition of the money held in the  
5 funds;

6 (12) establish the procedure by which the terms of a con-  
7 tract or covenant with or for the benefit of the holders of bonds or  
8 notes may be amended or abrogated, the amount of bonds or notes the  
9 holders of which must consent to amendment or abrogation, and the  
10 manner in which the consent may be given;

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

14 (14) vest in a trustee or trustees inside or outside the  
15 state property, rights, powers and duties in trust as the corporation  
16 may determine that may include any or all of the rights, powers and  
17 duties of a trustee appointed by the holders of bonds or notes of the  
18 corporation, and to limit or abrogate the rights of the holders of the  
19 bonds or notes of the corporation to appoint a trustee under this  
20 chapter or limit the rights, powers and duties of the trustee;

21 (15) pay the costs or expenses incident to the enforcement  
22 of the bonds or notes, of the provisions of the resolution, or of a  
23 covenant or agreement of the corporation with the holders of its bonds  
24 or notes;

25 (16) agree with a corporation trustee, that may be a trust  
26 company or bank having the powers of a trust company inside or outside  
27 the state, as to the pledging or assigning of revenue or funds that or  
28 in which the corporation has a right or interest; the agreement may  
29 provide for other rights and remedies exercisable by the trustee for

1 the protection of the holders of bonds or notes of the corporation and  
2 not otherwise in violation of law, and may provide for the restriction  
3 of the rights of an individual holder of bonds or notes of the  
4 corporation;

5 (17) appoint and provide for the duties and obligations of a  
6 paying agent or other fiduciary inside or outside the state;

7 (18) limit the rights of the holders of bonds or notes of  
8 the corporation to enforce a pledge or covenant securing the bonds or  
9 notes; and

10 (19) make covenants other than and in addition to the cove-  
11 nants expressly authorized in this section, of like or different  
12 character, and make covenants to do or refrain from doing acts in  
13 order to better secure bonds or notes or that, in the absolute  
14 discretion of the board, will tend to make bonds or notes more  
15 marketable.

16 Sec. 42.40.580. INTERIM RECEIPTS, TEMPORARY BONDS, AND TEMPORARY  
17 BOND ANTICIPATION NOTES. Before the preparation of definitive bonds  
18 or bond anticipation notes, the corporation may issue interim receipts  
19 or temporary bonds or bond anticipation notes, with or without cou-  
20 pons, exchangeable for bonds or bond anticipation notes when these  
21 definitive bonds or bond anticipation notes have been executed and are  
22 available for delivery.

23 Sec. 42.40.590. VALIDITY OF SIGNATURES. If an officer whose  
24 signature or a facsimile of whose signature appears on bonds, notes,  
25 or coupons attached to them ceases to be an officer before the de-  
26 livery of the bond, note, or coupon, the signature or facsimile is  
27 valid the same as if the person had remained in office until delivery.

28 Sec. 42.40.600. INDEPENDENT FINANCIAL ADVISOR. In negotiating  
29 the private sale of bonds or bond anticipation notes to an

1 underwriter, the board shall retain a financial advisor who is  
2 independent from the underwriter.

3 Sec. 42.40.610. VALIDITY OF PLEDGE. (a) The pledge of assets  
4 or revenue of the corporation to the payment of the principal or  
5 interest on bonds or notes of the corporation is valid and binding  
6 from the time the pledge is made and the assets or revenue are immedi-  
7 ately subject to the lien of the pledge without physical delivery or  
8 further act. The lien of a pledge is valid and binding against all  
9 parties having claims of any kind in tort contract or otherwise  
10 against the corporation, irrespective of whether those parties have  
11 notice of the lien of the pledge.

12 (b) Nothing in this section prohibits the corporation from  
13 selling assets subject to a pledge, except that a sale may be re-  
14 stricted by the trust agreement or resolution providing for the issu-  
15 ance of the bonds or notes.

16 Sec. 42.40.620. REMEDIES. A holder of bonds or notes issued  
17 under this chapter or of coupons attached to them, and a trustee under  
18 a trust agreement or resolution authorizing the issuance of the bonds  
19 or notes, except as restricted by a trust agreement or resolution,  
20 either at law or in equity, may

21 (1) enforce all rights granted under this chapter, the  
22 trust agreement or resolution, or any other contract executed by the  
23 corporation under this chapter; and

24 (2) compel the performance of all duties of the corporation  
25 required by this chapter or by the trust agreement or resolution.

26 Sec. 42.40.630. NEGOTIABLE INSTRUMENTS. Bonds and notes issued  
27 under this chapter and interest coupons attached to them are nego-  
28 tiable instruments under the laws of this state, subject only to  
29 applicable provisions for registration.

1           Sec. 42.40.640. BONDS AND NOTES ELIGIBLE FOR INVESTMENT. Bonds  
2 and notes issued under this chapter are securities in which all public  
3 officers and public bodies of the state and its political subdivi-  
4 sions, all insurance companies, trust companies, banking associations,  
5 investment companies, executors, administrators, trustees and other  
6 fiduciaries may properly and legally invest funds, including capital  
7 in their control or belonging to them. These bonds and notes may be  
8 deposited with a state or municipal officer of an agency or political  
9 subdivision of the state for any purpose for which the deposit of  
10 bonds or notes of the state is authorized by law.

11           Sec. 42.40.650. REFUNDING BONDS. (a) The corporation may  
12 provide for the issuance of refunding bonds for the purpose of refund-  
13 ing bonds then outstanding that have been issued under this chapter,  
14 including the payment of a redemption premium on them and interest  
15 that accrues to the date of redemption of the bonds. Refunding bonds  
16 shall be issued in accordance with provisions of this chapter that  
17 relate to the issuance of bonds to the extent those provisions are  
18 appropriate.

19           (b) Refunding bonds may be sold or exchanged for outstanding  
20 bonds issued under this chapter and the proceeds may be applied to the  
21 purchase, redemption or payment of the outstanding bonds in addition  
22 to other authorized purposes. Pending the application of the proceeds  
23 of refunding bonds to the payment of the principal, accrued interest  
24 and redemption premium on the bonds being refunded, and, if permitted  
25 in the resolution authorizing the issuance of the refunding bonds or  
26 in the trust agreement securing them, to the payment of interest on  
27 the refunding bonds and expenses in connection with the refunding, the  
28 proceeds may be invested in direct obligations of the United States or  
29 obligations the principal of and the interest on which are

1 unconditionally guaranteed by the United States that mature or may be  
2 redeemed not later than the date the proceeds of the refunding bonds,  
3 together with the interest accruing on them, will be required for the  
4 purposes intended.

5 Sec. 42.40.660. CREDIT OF STATE NOT PLEDGED. (a) The state and  
6 its political subdivisions are not liable for the debts of the corpo-  
7 ration. Bonds and notes issued under this chapter are payable solely  
8 from the revenue or assets of the corporation and do not constitute a

9 (1) debt, liability, or obligation of the state or of a  
10 political subdivision of the state; or

11 (2) pledge of the faith and credit of the state or of a  
12 political subdivision of the state.

13 (b) The corporation may not pledge the credit or the taxing  
14 power of the state or its political subdivisions. Each bond and note  
15 issued under this chapter shall contain on its face a statement that

16 (1) the corporation is not obligated to pay it or the  
17 interest on it except from the revenue or assets pledged for it; and

18 (2) neither the faith and credit nor the taxing power of  
19 the state or of a political subdivision of the state is pledged to the  
20 payment of it.

21 Sec. 42.40.670. OFFICERS NOT LIABLE. An officer or employee of  
22 the corporation is not subject to personal liability or accountability  
23 because of the execution or issuance of bonds or notes.

24 Sec. 42.40.680. EXEMPTION FROM TAXATION. (a) The real and  
25 personal property of the corporation and its assets, income, and  
26 receipts are exempt from all taxes and special assessments of the  
27 state or a political subdivision of the state.

28 (b) This section does not affect or limit an exemption from  
29 license fees, property taxes, or excise, income or other taxes,

1 provided under any other law, nor does it create a tax exemption with  
2 respect to the interest of any business enterprise or other person,  
3 other than the corporation.

4 (c) The exercise of the powers granted by this chapter shall be  
5 in all respects for the benefit of the people of the state, for their  
6 well-being and prosperity, and for the improvement of their social and  
7 economic conditions. Therefore, the corporation is not required to  
8 pay a tax or assessment on property owned by the corporation under the  
9 provisions of this chapter or on the income from the property.

10 (d) Bonds and notes issued under this chapter are issued by a  
11 body corporate and public of the state and for an essential public and  
12 governmental purpose. Therefore, the bonds and notes, the interest  
13 and income from them, and all fees, charges, funds, revenue, income  
14 and other money pledged or available to pay or secure the payment of  
15 the bonds and notes or interest on them, are exempt from taxation  
16 except for inheritance, transfer, and estate taxes.

17 Sec. 42.40. . . REVERSION OF ASSETS. If the corporation ceases  
18 to exist, for whatever reason, its assets revert to the state.

19 ARTICLE 7. PERSONNEL AND LABOR RELATIONS.

20 Sec. 42.40.700 PERSONNEL. (a) Employees of the Alaska Railroad  
21 are employees of the corporation and not of the state. The provisions  
22 of AS 39 do not apply to employees of the corporation.

23 (b) The collective bargaining agreements between the corporation  
24 and its employees shall remain in effect until they expire by their  
25 terms or, as required under 45 U.S.C. 1206 (Alaska Railroad Transfer  
26 Act of 1982), they are renegotiated, subject to the approval of the  
27 board.

28 (c) The corporation may not enter into a collective bargaining  
29 agreement concerning wages, hours, working conditions or other

1 employment terms, conditions and benefits with an organization  
2 representing the corporation's chief executive official or executive  
3 officials appointed by the chief executive official.

4 Sec. 42.40.710. POLITICAL ACTIVITIES. (a) Money, assets, or  
5 property of the corporation may not be used for political activity.  
6 However, board members and employees of the corporation may  
7 communicate with and appear before committees of Congress, the state  
8 legislature, and municipal governing bodies in connection with matters  
9 directly affecting the corporation.

10 (b) A board member or employee who violates the provisions of  
11 this section is personally subject to a civil penalty assessed by a  
12 judge of the superior court in an amount not to exceed \$5,000. An  
13 action to enforce this section may be brought by any person.

14 ARTICLE 8. STATE OVERSIGHT AND REVIEW

15 Sec. 42.40.800. STATE OVERSIGHT (a). The board shall notify  
16 the governor and the leadership of the legislature before undertaking

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

22 (2) extension of the main or branch lines by more than 25  
23 miles or 5 percent of the railroads total track mileage, whichever is  
24 greater; or

25 (3) the issuance of securities, notes, bonds or contracts  
26 with a term in excess of one year and in an amount exceeding  
27 \$5,000,000.  
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## ARTICLE 8. GENERAL PROVISIONS.

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Sec. 42.40.900. APPLICATION OF EXISTING STANDARDS. The Alaska Railroad Corporation is not subject to the jurisdiction of the Alaska Transportation Commission. The following laws do not apply to the operations of the Alaska Railroad Corporation:

- (1) AS 19;
- (2) AS 30.15;
- (3) AS 35;
- (4) AS 37.05;
- (5) AS 37.07;
- (6) AS 37.10.010 - 37.10.060;
- (7) AS 37.10.085;
- (8) AS 37.20;
- (9) AS 37.25;
- (10) AS 44.62.040 - 44.62.320.

Sec. 42.40.XXX. SPECIAL REPORT. The corporation shall investigate and prepare a report for the governor and the legislature on the long-term operations of the railroad that are in the best interest of the state. The report shall be due January 1, 1988. It shall make specific recommendations on operational alternatives and the transfer of all or part of the railroads operations to the private sector.

Sec. 42.40.950. DEFINITIONS. In this chapter,

- (1) "board" means the board of directors of the Alaska Railroad Corporation;
- (2) "corporation" means the Alaska Railroad Corporation;
- (3) "date of transfer" means the date on which the United States Secretary of Transportation delivers the deed of conveyance for the properties of the Alaska Railroad under 45 U.S.C. 1201-1214 (Alaska Railroad Transfer Act of 1982);

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

2 (5) "railroad utility corridor" means a right-of-way for  
3 railroad and related purposes as defined in 45 U.S.C. 1202(11) (Alaska  
4 Railroad Transfer Act of 1982).

5 (6) "land" means all real property, including tide and  
6 submerged land;

7 (7) "rail properties" means all real and personal property,  
8 tangible and intangible, of the corporation:

9 (8) "executive officials" means the employees occupying the  
10 following positions at the Alaska Railroad as of the day before the  
11 date of transfer: General Manager, Assistant General Manager,  
12 Assistant to the General Manager, Chief of Administration and General  
13 Counsel.

14 Sec. 42.40.990. SHORT TITLE. This chapter may be referred to as  
15 the Alaska Railroad Corporation Act.

16 \* Sec. 3. CONFLICTING LAWS INAPPLICABLE. If provisions of this Act are  
17 in conflict with the provisions of other law, the provisions of this Act  
18 prevail. Where possible, provisions of this Act shall be construed so that  
19 they do not conflict with 45 U.S.C. 1201-1214 (Alaska Railroad Transfer Act  
20 of 1982).

21 \* Sec. 4. APPOINTMENT OF FIRST BOARD OF DIRECTORS OF ALASKA RAILROAD  
22 CORPORATION. Notwithstanding AS 42.40.020 enacted in sec. 1 of this Act,  
23 the governor shall designate the terms of the appointed members of the  
24 first board of directors of the Alaska Railroad Corporation as follows:  
25

- 26 (1) one shall serve a term of two years;  
27 (2) one shall serve a term of three years;  
28 (3) one shall serve a term of four years; and  
29 (4) two shall serve a term of five years.

1 \* Sec. 5. EFFECTIVE DATE. This Act takes effect immediately in  
2 accordance with AS 01.10.070 (c).  
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1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 HOUSE JOINT RESOLUTION NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-  
6 tion of the State of Alaska relating to  
7 the Alaska Railroad.

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

9 \* Section 1. Article III, sec. 22, Constitution of the State of Alaska,  
10 is amended to read:

11 SECTION 22. EXECUTIVE BRANCH. Except as provided in Section 28  
12 of this article, all [ALL] executive and administrative offices,  
13 departments, and agencies of the state government and their respective  
14 functions, powers, and duties shall be allocated by law among and  
15 within not more than twenty principal departments, so as to group them  
16 as far as practicable according to major purposes. Regulatory,  
17 quasi-judicial, and temporary agencies may be established by law and  
18 need not be allocated within a principal department.

19 \* Sec. 2. Article III, Constitution of the State of Alaska, is amended  
20 by adding a new section to read:

21 SECTION 28. ALASKA RAILROAD. Upon the transfer of the Alaska  
22 Railroad to the state under 45 U.S.C. 1201 - 1214 (Alaska Railroad  
23 Transfer Act), a board, commission, authority, or corporation to  
24 manage the railroad and its property may be established by law within  
25 or outside of a principal department. Members of the board, commis-  
26 sion, authority, or board of directors of the corporation shall be  
27 appointed by the governor, subject to confirmation by a majority of  
28 the members of each house of the legislature in joint session, and may  
29 be removed as provided by law. The board, commission, authority, or

1 board of directors may appoint a principal executive officer if au-  
2 thorized by law.

3 \* Sec. 3. The amendments proposed by this resolution shall be placed  
4 before the voters of the state at the next general election in conformity  
5 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-  
6 tion laws of the state.  
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24 manage the railroad and its property may be established by law within  
25 or outside of a principal department. Members of the board, commis-  
26 sion, authority, or board of directors of the corporation shall be  
27 appointed by the governor, subject to confirmation by a majority of  
28 the members of each house of the legislature in joint session, and may  
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2 IN THE HOUSE

3 HOUSE BILL NO. 512

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 THIRTEENTH LEGISLATURE - SECOND SESSION

6 A BILL

7 For an Act entitled: "An Act establishing the Alaska Railroad  
8 Corporation to manage and operate the Alaska  
9 Railroad; and providing for an effective date."

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

11 \* Section 1. LEGISLATIVE FINDINGS AND PURPOSE.

12 (a) The Legislature finds that

13 (1) It is the policy of the state to

14 (A) provide safe, economical, and efficient transportation  
15 to residents, businesses, visitors, and military installations in the  
16 state;

17 (B) foster and promote the long-term economic growth and  
18 development of the state;

19 (C) develop and implement plans for a transportation  
20 network;

21 (D) foster and promote the development of the state's land  
22 and natural resources;

23 (2) the Alaska Railroad is an essential part of the state  
24 transportation network that may, unless preserved by state action,  
25 cease to be a transportation option in Alaska;

26 (3) the federal government has offered to the state the option  
27 of taking over the Alaska Railroad to ensure its continued existence;

28 (4) it is in the state's best interest to accept the railroad  
29 under the terms and conditions offered by the United States

1 government;

2 (5) there is vast potential in Alaska's natural resource areas  
3 and extension of the Alaska Railroad into natural resource areas is  
4 necessary for long-term economic growth.

5 (b) It is the purpose of this Act to create a viable economic entity  
6 with the powers and duties necessary to operate and manage the Alaska  
7 Railroad pending eventual transfer to the private sector for ownership  
8 or operation or both consistent with 45 U.S.C. 1201-1214 (Alaska  
9 Railroad Transfer Act of 1982). It is the purpose of the legislature  
10 to

11 (1) provide for the level of service that best satisfies the  
12 needs of the people of the state;

13 (2) create a public corporation with the powers, duties, and  
14 functions needed to operate the Alaska Railroad and manage its rail,  
15 industrial, port and other properties in the best interest of the  
16 people of the state by insuring that the corporation will

17 (A) be exclusively responsible for the management of the  
18 financial and legal obligations of the Alaska Railroad rather than the  
19 state;

20 (B) operate the railroad as a common carrier subject to the  
21 jurisdiction of the United States Interstate Commerce Commission  
22 consistent with 45 U.S.C. 1207;

23 (C) have the ability to raise capital by issuing  
24 obligations exempt from federal and state taxation;

25 (D) carry out its responsibilities on a self-sustaining  
26 basis;

27 (E) provide the best possible combination of types and  
28 levels of safe, efficient, and economical transportation to meet the  
29 overall needs of the state, supported when necessary by state

1 investment;

2 (F) provide for the prudent operation of the railroad  
3 according to sound business management practices; and

4 (3) insure that borrowing by the corporation does not directly  
5 or indirectly endanger the state's own borrowing capacity.

6  
7 \* Sec. 2. AS 42 is amended by adding a new chapter to read:

8 CHAPTER 40. ALASKA RAILROAD CORPORATION.

9 ARTICLE 1. ESTABLISHMENT AND ORGANIZATION.

10 Sec. 42.40.010. ESTABLISHMENT OF THE CORPORATION. There is  
11 established the Alaska Railroad Corporation. The corporation is a  
12 public corporation and for the purposes of art. III, sec. 22,  
13 Constitution of the State of Alaska, is an instrumentality of the  
14 state within the Department of Commerce and Economic Development, but  
15 the corporation has a legal existence independent of and separate from  
16 the state. The exercise by the corporation of the powers provided in  
17 this chapter is considered an essential governmental function of the  
18 state.

19  
20 Sec. 42.40.020. BOARD OF DIRECTORS. (a) The powers of the  
21 corporation are vested in the board of directors. The board consists  
22 of the commissioner of the Department of Commerce and Economic  
23 Development and seven voting members appointed by the governor. These  
24 seven members must be residents of and registered voters in the state  
25 except  
26 as provided in (b) and (c) of this section. No more than two of these  
27 members may be from any one of the four judicial districts in the  
28 state. The voting members must have experience or professional  
29 training and expertise in fields relevant to the purposes of this

1 chapter, including, but not limited to transportation, business, and  
2 finance. A voting member may not be a state officer or employee.

3 (b) Unless prohibited by law, one voting member shall be or have  
4 been an executive official of an American railroad that is not now or  
5 was never a connecting carrier of the Alaska railroad.

6 (c) One person may be appointed by the governor to be a voting  
7 member of the board, if, at the time of appointment, the person has at  
8 least 10 years of experience in management of railroads.

9 (c) In addition to the voting members, the following nonvoting  
10 members shall serve on the board:

11 (1) an employee of the corporation appointed by the gover-  
12 nor to represent the employees;

13 (2) the chief executive officer of the corporation.

14 (d) The voting members of the board shall be confirmed by a  
15 majority of the membership of the legislature in joint session. A  
16 member appointed by the governor has the full powers and responsibili-  
17 ties of a confirmed board member unless and until the member has been  
18 rejected by the legislature.

19 (e) The board shall elect from its membership a chairperson and  
20 vice-chairperson and prescribe their specific duties by rule.

21 (f) The board shall appoint a secretary and prescribe the spe-  
22 cific duties of the secretary.

23 (g) The chairperson shall call meetings of the board at least  
24 once every three months. The chairperson may call other meetings of  
25 the board as the chairperson considers necessary. The chairperson  
26 shall preside at meetings of the board.

27 \*\*\*\*\* (h) The governor may, by written notice to the member, remove a  
28 member from the board for

29 (1) incapacitation caused by injury or sickness that leaves

1 the member unable to perform duties under this chapter;

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

4 (3) Conviction of a felony

5 \*\*\*\*\*

6 Sec. 42.40.030. TERM OF OFFICE AND REMOVAL. The appointed  
7 members of the board serve for staggered terms of five years each, and  
8 serve at the pleasure of the governor during their terms..

9 Sec. 42.40.040. VACANCIES. (a) A vacancy on the board is  
10 filled by appointment by the governor, and the appointment must be  
11 confirmed by the legislature in joint session. A member selected to  
12 fill a vacancy holds office for the balance of the term for which the  
13 member's predecessor is appointed.

14 (b) A vacancy on the board does not impair the authority of a  
15 quorum of members to exercise the powers and perform the duties of the  
16 board.

17 (c) A member whose term has expired shall serve until a succes-  
18 sor has been appointed.

19 Sec. 42.40.050. COMPENSATION AND EXPENSES. (a) An appointed  
20 member of the board is entitled to compensation at a rate of \$250 for  
21 each day the member is engaged in the actual performance of duties as  
22 a member of the board. The board may provide by rule for compensation  
23 for partial days during which a member is engaged in the actual  
24 performance of duties.

25 (b) In addition to compensation under (a) of this section, an  
26 appointed member of the board is entitled to per diem and travel  
27 expenses authorized by law for state boards and commissions.

28 Sec. 42.40.060. QUORUM. Four voting members of the board  
29 constitute a quorum for the transaction of business.

1           Sec. 42.40.070. VOTING. Four affirmative votes are required for  
2 board action. The board shall provide by rule for the manner of  
3 voting, except that the board may not provide for voting by proxy.  
4 The rules may provide for voting and conferring by means of telecommu-  
5 nication devices. The rules may provide for excluding non-voting  
6 members during executive sessions.

7                           ARTICLE 2. MANAGEMENT.

8           Sec. 42.40.090. MANAGEMENT BY THE BOARD. The board is responsible  
9 for the management of the corporation but shall delegate certain  
10 powers and duties to the chief executive officer in accordance with AS  
11 42.40.110. In carrying out its responsibilities under this section  
12 the board shall, subject to AS 42.40.110,

13                   (1) be responsible for the management of the financial and  
14 legal obligations of the Alaska Railroad;

15                   (2) operate the Alaska Railroad as a common carrier;  
16 subject to the jurisdiction of the United States Interstate Commerce  
17 Commission consistent with 45 U.S.C. 1207;

18                   (3) provide for safe, efficient, and economical  
19 transportation to meet the overall needs of the state;

20                   (4) raise needed capital by issuing obligations of the  
21 corporation while insuring that borrowing by the corporation does not  
22 directly or indirectly endanger the state's own borrowing capacity.

23           Sec. 42.40.100. EXECUTIVE OFFICERS. (a) The board shall appoint the  
24 chief executive officer of the corporation subject to the approval by  
25 the Governor. The chief executive officer serves at the pleasure of  
26 the board. The board shall fix compensation for the chief executive  
27 officer.

28                   (b) The chief executive officer of the corporation shall appoint  
29 and fix the compensation for other executive officers. The

1 appointment of other executive officers and their compensation are  
2 subject to board approval.

3 Sec. 42.40.110. DELEGATION. (a) The board shall by rule delegate  
4 powers and duties necessary and appropriate for the management of the  
5 daily affairs and operations of the corporation to the chief executive  
6 officer, subject to a requirement of board concurrence or  
7 authorization imposed by the rules.

8 (b) Within 180 days of the first meeting of the board, the board  
9 shall by rule delegate the following activities of the corporation to  
10 the chief executive officer or other executive officers designated by  
11 the board:

12 (1) leasing, granting easements in, issuing permits for the  
13 use of, or conveying other interests that do not constitute a transfer  
14 of the corporation's entire interest in real property of the corpora-  
15 tion other than the execution of a release of a lien or satisfaction  
16 of a mortgage after payment has been received;

17 (2) establishing specific rates, tariffs, divisions, and  
18 contract rate agreements;

19 (3) making routine changes in service levels; and

20 (4) performing procurement activities.

21 (c) Board authorization or concurrence is required for the  
22 following:

23 (1) transferring the corporation's entire interest in real  
24 property;

25 (2) issuing notes, debentures, and bonds;

26 (3) mortgaging or pledging corporation assets;

27 (4) donating property, or other assets belonging to the  
28 corporation;

29 (5) acting as a surety or guarantor;

1 (6) adopting a long-range program and capital improvement  
2 plan subject to Sec. 42.40.310;

3 (7) certifying annual reports;

4 (8) effecting generally applicable increases and decreases  
5 in rates other than those periodically approved by the United States  
6 Interstate Commerce Commission;

7 (9) diversification and major expansion or reducing  
8 services beyond those provided on the date of transfer or as provided  
9 under this chapter;

10 (10) expanding the main or branch lines, other than perform-  
11 ing routine track alignment as necessary to maintain service levels in  
12 effect on the date of transfer; and

13 (11) selecting independent auditors and accountants.

14 (12) certifying collective bargaining agreements with  
15 railroad employees.

16 (13) capital projects with an estimated completion cost in  
17 excess of \$500,000 or an estimated completion time of more than one  
18 year.

19 ARTICLE 3. ADMINISTRATIVE PROVISIONS.

20 Sec. 42.40.200. CONFLICTS OF INTEREST. (a) Except as provided  
21 in this section, a board member or employee of the authority may not  
22 participate in a decision of the authority in which that person or a member  
23 of that person's immediate family has a direct or indirect financial  
24 interest unless the financial interest is a remote financial interest and  
25 participation is approved under (b) of this section. For purposes of this  
26 section, "participate in a decision" includes all discussions,  
27 deliberations, preliminary negotiations, and votes concerning a matter that  
28 is the subject of formal action by the board.

29 (b) A board member or employee may participate in a decision if

1 that person or a member of that persons immediate family has only a  
2 remote interest and if the fact and extent of the interest is  
3 disclosed to the board in a public meeting and is noted in the minutes  
4 of the board before any participation by the member or employee in the  
5 decision, and thereafter in a public meeting the board authorizes or  
6 approves the participation by a vote of its membership excluding the  
7 interested member or employee. As used in this subsection, "remote  
8 interest" means interests that in good faith are defined as remote by  
9 rules adopted by the corporation.

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

14 (d) Within 120 days of the first meeting of the board, the board  
15 shall adopt and may subsequently amend rules implementing this  
16 section, providing additional conflict of interest and ethical rules  
17 it considers appropriate, and providing for the removal by the board  
18 of a board member or employee who intentionally violates a prohibition  
19 contained in this section.

20 Sec. 42.40.210. PUBLIC BOARD MEETINGS. (a) The meetings of the  
21 board are public with the exception of an executive session conducted  
22 under AS 44.62.310 and (b) of this section.

23 (b) In addition to those subjects that may be discussed in  
24 executive session under AS 44.62.310, the board may consider in execu-  
25 tive session matters that pertain to personnel, the corporation's  
26 legal position, land acquisition or disposal, or proprietary informa-  
27 tion, as defined in a manner consistent with the standards and prac-  
28 tices of the United States Interstate Commerce Commission for protec-  
29 tion of information including but not limited to proprietary

1 information associated with specific shippers, divisions, and contract  
2 rate agreements.

3 Sec 42.40.220: MINUTES OF MEETINGS. The board shall keep  
4 minutes of each meeting and shall send a certified copy of the minutes  
5 of the public portion of each meeting to the governor and the  
6 leadership of the legislature.

7 \*\*\*\*\* Sec. 42.40.230. RULES. The board shall establish a  
8 procedure for adopting rules to carry out its functions and the  
9 purposes of this chapter. The rules shall include a procedure for the  
10 adoption of emergency rules when the adoption of an emergency rule is  
11 essential to continue or to reinstate the orderly operation of the  
12 corporation's facilities or program.

13 Sec. 42.40.240. PUBLIC DISCLOSURE OF INFORMATION. (a) Except  
14 as provided by rule of the corporation under (b) of this section,  
15 information in the possession of the corporation is public and is open  
16 to public inspection at reasonable times.

17 (b) Except as provided in AS 42.40.270, the corporation may by  
18 rule designate and withhold disclosure of matters of a nonpublic,  
19 privileged, or proprietary nature. Those matters include personnel  
20 records, communications with and work product of counsel consistent  
21 with the standards and practices of the United States Interstate  
22 Commerce Commission for the protection of these matters, and  
23 information including but not limited to specific shippers, divisions,  
24 and contract rate agreements.

25 Sec. 42.40.250. SPECIAL REPORT. The corporation shall investi-  
26 gate and prepare a report for the governor and the legislature on the  
27 long-term operations of the railroad that are in the best interest of  
28 the state. The report shall be due January 1, 1988. It shall make  
29

1 specific recommendations on operational alternatives and the transfer  
2 of all or part of the railroads operations to the private sector.

3 Sec. 42.40.260. ANNUAL REPORT. Within 90 days following the end  
4 of the fiscal year of the railroad the board shall direct preparation  
5 of, certify and distribute to the governor and to the legislature a  
6 report describing the operations and financial condition of the corpo-  
7 ration during the preceding fiscal year. The plans may include  
8 suggestions for legislation relating to the structure, powers, or  
9 duties of the authority or relating to operation of facilities of the  
10 authority.

11 Sec. 42.40.270. ANNUAL AUDIT. The board shall have the finan-  
12 cial records of the corporation audited annually by an independent  
13 certified public accountant experienced in railroad accounting. The  
14 corporation shall make all of its financial records available to an  
15 auditor appointed by the governor or to the legislative audit division  
16 for examination. Disclosure to the public by the auditor or legisla-  
17 tive audit division of this information is subject to AS 42.40.240 and  
18 rules implementing that section.

19 ARTICLE 4. POWERS AND DUTIES.

20 Sec. 42.40.300. GENERAL POWERS. In addition to the exercise of  
21 other powers authorized by law, the corporation may

- 22 (1) adopt a seal;
- 23 (2) adopt rules and bylaws governing the business of the  
24 corporation;
- 25 (3) sue and be sued;
- 26 (4) appoint trustees and agents of the corporation and  
27 prescribe their powers and duties;
- 28 (5) hire legal counsel to represent the corporation;
- 29

1 (6) make contracts and execute instruments necessary or  
2 convenient in the exercise of its powers and duties;

3 (7) acquire by purchase, lease, bequest, devise, gift,  
4 exchange, the satisfaction of debts, the foreclosure of mortgages, or  
5 otherwise, real or personal property, rights, rights-of-way, fran-  
6 chises, easements, and other interest in land, including land lying  
7 under water and appropriation of water rights that are located in the  
8 state, taking title to the property in the name of the corporation;

9 (8) acquire property by eminent domain in accordance with  
10 AS 42.40.430 or by declaration of taking;

11 (9) hold, maintain, use, operate, lease, exchange, donate,  
12 improve, convey, alienate, dispose of, mortgage, encumber, and  
13 otherwise grant security interests in or transfer any real or personal  
14 property including facilities and equipment;

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

19 (11) undertake and provide for the management, operation,  
20 maintenance, use, and control of all of the properties of the corpo-  
21 ration including, the tracks, equipment and other property transferred  
22 to it by the federal government or by any person;

23 (12) recommend to the legislature and the governor any tax,  
24 financing, or financial arrangement the corporation considers appro-  
25 priate to carry out the duties under this chapter

26 (13) maintain offices and facilities at places it desig-  
27 nates;

28 (14) acquire, hold, and disperse of Stocks, memberships,  
29 contracts, bonds, general or limited partnership interests or other

1 interests in another corporation, association, partnership, joint venture,  
2 or other legal entity, and exercise the powers or rights in connection with  
3 these interests which are provided in contracts or agreements and that are  
4 allowed by law concerning the satisfaction of debts;

5 (15) undertake and provide for the acquisition, construction,  
6 maintenance, equipping, and operation of connecting, switching, terminal, or  
7 other railroads and railroad facilities in the state;

8 (16) apply to the appropriate agencies of the state, the  
9 United States, and a foreign country or other proper agencies for the  
10 permits, licenses, or approvals necessary to construct, maintain, and  
11 operate railroad transportation services, and to obtain, hold, and  
12 reuse the licenses and permits in the same manner as other operating  
13 units or persons;

14 (17) prescribe rates to be charged for services provided by  
15 the Alaska Railroad;

16 (18) determine the routes, schedules, and types of service  
17 to be provided by the Alaska Railroad;

18 (19) enter into contracts and leases with connecting carri-  
19 ers and shippers, and other persons concerning the services,  
20 activities, operations, properties, and facilities of the railroad.  
21 including contracts leases and other agreements that contain  
22 provisions to preserve and expand the railroad's traffic base;

23 (20) plan for and undertake expansion of the railroad and  
24 railroad activities, including extension of the Alaska Railroad's rail  
25 system, and contract with other modes of transportation service con-  
26 necting to the railroad's rail services;

27 (21) adopt rules that are designed to safeguard property  
28 owned, managed, or transported by the corporation and to protect  
29 employees and persons using the corporation's property or services;

1 (22) hire and discharge railroad personnel and determine  
2 benefits and other terms and conditions of employment established in  
3 accordance with obligations imposed by 45 U.S.C. 1201-1214 (Alaska  
4 Railroad Transfer Act of 1982);

5 (23) assume and satisfy liabilities of the United States or  
6 its agencies as provided by 45 U.S.C. 1201-1214 (Alaska Railroad  
7 Transfer Act of 1982 and the closing report or its substantive  
8 equivalent as accepted by the legislature;

9 (24) maintain a security force to enforce state law and the  
10 corporations rules with respect to violations that occur on or to  
11 property owned, managed or transported by the corporation;

12 (25) borrow money and issue its bonds or notes and provide  
13 for and secure their payment, provide for the rights of their holders  
14 and purchase, hold, or dispose of its bonds or notes;

15 (26) secure the payment of its obligations by pledge or  
16 mortgage or other lien on its contracts, revenues, income, or proper-  
17 ty;

18 (27) consent to the modification of the rate of interest,  
19 time of payment of an installment of principal or interest, or other  
20 term of a loan, contract, or agreement to which the corporation is a  
21 party;

22 (28) include in any borrowing the amounts necessary to  
23 establish reasonable reserves and pay financing charges and interest  
24 on the obligations for a reasonable period after which the corporation  
25 estimates funds will be otherwise available to pay the interest,  
26 consultant, advisory, and legal fees, and other expenses necessary or  
27 incident to borrowing;

28 (29) purchase the corporation's bonds at a price not more  
29 than the principal amount of them plus interest; and

1 (30) cancel bonds purchased under (21) of this section;

2 (31) adopt rules having the force of law that require  
3 designated classes of proprietary information and communications to be  
4 held confidential;

5 (32) do all things necessary, convenient and desirable to  
6 carry out the powers and duties expressly granted or necessarily  
7 implied in this chapter or under other laws of the state or the laws  
8 and regulations of the federal government.

9 Sec. 42.40.310. LONG-RANGE PROGRAM AND CAPITAL IMPROVEMENT  
10 PLANS. (a) The corporation shall prepare and the board shall adopt a  
11 long-range program plan and a capital improvement plan. The board  
12 shall interface with other related state agencies in preparation of  
13 the plans. The long-range program plan shall delineate the manner in  
14 which the corporation intends to accomplish the purposes of this  
15 chapter during each of the five years after the plan is adopted. The  
16 capital improvement plan shall present and explain the corporation's  
17 anticipated capital improvements for each of the five years after the  
18 plan is adopted.

19 (b) The board shall annually review and update the plans re-  
20 quired under (a) of this section. The board may not contract for the  
21 preparation or revision of either the long-range program plan or the  
22 capital improvement plan, but shall require their preparation and  
23 revision by employees of the corporation.

24 (c) The board shall provide copies of its updated plans to the  
25 governor and the legislature by December 1 of each year.

26 Sec. 42.40.320. USE OF CORPORATION ASSETS. (a) The corporation  
27 shall apply all money, property, other assets, and credit of the  
28 corporation toward activities authorized by this chapter. The corpo-  
29 ration may not issue shares of stock, pay dividends, make private

1 distributions of assets, make loans to board members or employees, or  
2 engage in business for private benefit. The use of money, property,  
3 other assets, or credit of the corporation for purposes not authorized  
4 by law by persons having the possession or control of it is prohibi-  
5 ted.

6 ARTICLE 5. RAIL PROPERTIES.

7 Sec. 42.40.400. LAND. All land among the rail properties trans-  
8 ferred under 45 U.S.C. 1201-1214 (Alaska Railroad Transfer Act of  
9 1982) or otherwise acquired by the corporation is under the control of  
10 the corporation. As to all land that is transferred or acquired

11 (1) railroad rights-of-way or easements transferred under  
12 the federal act or otherwise acquired shall be classified as railroad  
13 utility corridors;

14 (2) future railroad utility corridors shall be of a width  
15 at least 100 feet on both sides of the centerline of the extended main  
16 or branch line, or may be of other width as designated by the corpo-  
17 ration, and may be surveyed by the metes and bounds method; and

18 (3) the corporation may lease or rent portions of the  
19 utility corridor for other transportation services.

20 Sec. 42.40.420. CLASSIFICATION, ACQUISITION, AND USE OF STATE  
21 LAND FOR RAILROAD PURPOSES. (a) The board by rule may identify and  
22 request conveyance of land owned by or subject to selection by the  
23 state, including tide and submerged land and land not adjacent to a  
24 railroad corridor, as necessary or useful for present, future or  
25 intended railroad purposes. The request must include a statement of  
26 and justification for the present, future or intended railroad use.  
27 Upon submission of a request for classification and conveyance to the  
28 commissioner of natural resources, the commissioner shall temporarily  
29 classify and reserve the land identified in the request for railroad

1 purposes and shall temporarily vacate a classification allowing dis-  
2 posal or lease of that land under laws or programs of the state. A  
3 temporary classification and vacation is subject to valid existing  
4 rights and remains in effect for 180 days.

5 (b) Within 90 days after receiving a request under (a) of this  
6 section, the commissioner of natural resources by departmental order  
7 shall;

8 (1) classify that land for railroad purposes and, subject  
9 to valid existing rights, convey the state's interests to the corpo-  
10 ration; or

11 (2) notify the corporation of reasons for refusal to clas-  
12 sify the land for railroad purposes.

13 (3) approve in part and deny in part the request for  
14 classification under this section.

15 (c) A conveyance under (b)(1) or (3) of this section vests in  
16 the corporation the exclusive right to extract and use for its  
17 purposes sand, gravel, rock, timber and other construction materials  
18 the land conveyed without regard to the classification of the  
19 resources as part of the surface or subsurface estate.

20 (d) The corporation may reconvey to the state land received  
21 under this section that the corporation and the commissioner of natu-  
22 ral resources jointly identify as unnecessary or unsuitable for the  
23 corporation's purposes.

24 (e) The corporation's ownership of state land entitles it to  
25 exclusive use and control of the surface, subsurface, complete sub-  
26 jacent and lateral support of the surface, subsurface, and the right  
27 to tunnel, ditch, recontour, excavate or otherwise use the subsurface  
28 for railroad, transportation, transmission, and related purposes.  
29

1 (f) When physical conditions require that track or other right-  
2 of-way fixtures of the corporation be moved from the existing location  
3 and relocated on state-owned land adjacent to or in the vicinity of  
4 the existing right-of-way, and the chief executive officer determines  
5 that relocation is necessary to maintain safe and adequate rail op-  
6 erations, the corporation may effect the relocation with concurrence  
7 of the Department of Natural Resources. The relocation must be limi-  
8 ted to land adequate to restore or continue safe rail operations at a  
9 normal level.

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

14 (b) The corporation may acquire a fee simple title whenever, in  
15 the judgment of the board, ownership of a fee simple is necessary to  
16 carry out the state's lawful purposes in condemning property.

17 (c) The corporation may file a declaration of taking in the  
18 manner provided for the state under AS 09.55.420.

19 (d) The power of eminent domain conferred under this section  
20 includes the power to obtain material, including clay, gravel, sand,  
21 timber, or rock for railroad use, the land necessary to obtain the  
22 material, and access to the land and material.

23 Sec. 42.40.450. OTHER ASSETS. (a) The corporation may submit  
24 applications on its own behalf as an instrumentality of the state for  
25 acquisition of interests in federal land available under federal law  
26 that will enhance the operations of the corporation and may receive  
27 conveyances of all interests in its own name.

28 (b) The corporation, as an agency of the state, may acquire in  
29 its own name from the United States under 40 App U.S.C. 1622 et seq

1 (the Surplus Property Act of 1944), 40 U.S.C. 471 et seq as amended  
2 (the Federal Property and Administrative Services Act of 1949), or  
3 other law, property under the control of a federal department or  
4 agency that is useful for the corporation's purposes and may acquire  
5 from the Department of Administration property of the state made  
6 available under AS 44.71.010 - 44.71.040.

7 ARTICLE 6. FINANCIAL PROVISIONS.

8 Sec. 42.40.500. LIMITATION OF LIABILITY. A liability incurred  
9 by the corporation shall be satisfied exclusively from the assets or  
10 revenue of the corporation and no creditor or other person has a right  
11 of action against the state because of a debt, obligation, or  
12 liability of the corporation.

13 Sec. 42.40.520. FIDELITY BOND. The corporation shall obtain a  
14 fidelity bond in an amount determined by the board for its members and  
15 any officer responsible for accounts and finances. A bond must be in  
16 effect during the entire tenure in office of the bonded person.

17 Sec. 42.40.530. INSURANCE. (a) The corporation shall keep in  
18 force public liability insurance in an amount reasonably calculated to  
19 cover potential claims for bodily injury, death or disability and  
20 property damage that may arise from or be related to its operations  
21 and activities, naming the state as an additional insured.

22 (b) Notwithstanding the provisions of this section, the corpo-  
23 ration may purchase insurance to protect and hold personally harmless  
24 its employees, agents, and board members from an action, claim, or  
25 proceeding instituted against these individuals arising out of the  
26 performance, purported performance, or failure of performance, in good  
27 faith, of duties for, or employment with, the corporation and to hold  
28 these individuals harmless from expenses connected with the defense,  
29 settlement, or monetary judgments from that action, claim, or

1 proceeding; the purchase of insurance and its policy limits are dis-  
2 cretionary with the board and insurance is not considered to be com-  
3 pensation to the insured individual.

4 Sec. 42.40.540. CLAIMS. (a) All claims and lawsuits involving  
5 activities of the railroad, including suits in contract, quasi-con-  
6 tract, or tort, shall be brought against the corporation, and not  
7 against the state.

8 (b) In a claim or other legal action against the corporation  
9 involving its activities, including the expansion, extension and  
10 construction of the railroad, in which the corporation is the  
11 prevailing party, the party or parties that maintained the action  
12 shall be liable to the corporation for its full costs and legal fees  
13 in defending the action and for the financial losses to the  
14 corporation that are directly attributable to the maintenance of that  
15 action.

16 (c) For the purposes of actionable claims, undertakings, pay-  
17 ments of judgments, execution, interest, punitive damages, statutes of  
18 limitations, bonds, costs, and similar matters related to the pres-  
19 entation and prosecution of claims by and against the corporation, the  
20 corporation and its board members and employees enjoy the same rights,  
21 privileges, and immunities as the state and state officers as provided  
22 in AS 09.10.120, AS 09.50.250 - 09.50.290, and AS 09.65.040.

23 (d) Claims against the corporation are not subject to the  
24 provisions of AS 44.77.010 - 44.77.070 regarding claims against the  
25 state.

26 (e) The corporation is not subject to the provisions of AS 44.-  
27 80.010, regarding the state as a party to an action.

28 (f) The corporation may defend and indemnify a current or former  
29 employee, agent, or board member of the corporation and their

1 successors against all costs, expenses, judgments, and liabilities,  
2 including attorney fees, incurred by or imposed upon that person in  
3 connection with a civil or criminal action in which the person is  
4 involved by affiliation with the corporation, if the person acted in  
5 good faith on behalf of the corporation and within the scope of  
6 official duties or powers.

7 Sec. 42.40.550. REVENUE. Revenue generated by or appropriated  
8 to the corporation shall be retained and managed by the corporation  
9 for railroad and related purposes as required by 45 U.S.C. 1207(a)(5)  
10 (Alaska Railroad Transfer Act of 1982).

11 Sec. 42.40.560. APPROPRIATIONS. The corporation may request,  
12 with the concurrence of the governor, a direct appropriation or grant  
13 from the legislature to assist in carrying out the provisions of  
14 AS 42.40.300 and 42.40.310.

15 Sec. 42.40.570. BONDS AND NOTES. (a) The corporation by reso-  
16 lution may issue bonds and bond anticipation notes to provide money to  
17 carry out its purposes.

18 (b) The principal and interest on bonds or notes of the corpo-  
19 ration is payable from corporation money or assets. Bonds or notes  
20 may be additionally secured by a pledge of a grant or contribution  
21 from the federal government or a corporation, association, institution  
22 or person, or a pledge of money, income, or revenue of the corporation  
23 from any source.

24 (c) Bond anticipation notes may be payable from the proceeds of  
25 the sale of bonds or other bond anticipation notes, or, if bond or  
26 bond anticipation note proceeds are not available, from other money or  
27 assets of the corporation.

28 (d) Bonds or bond anticipation notes may be issued in one or  
29 more series and shall, as provided by the resolution of the board,

- 1 (1) be dated;
- 2 (2) bear interest at a required rate or rates per year or  
3 within a maximum rate;
- 4 (3) be in a required denomination;
- 5 (4) be in a coupon or registered form;
- 6 (5) carry conversion or registration provisions;
- 7 (6) have a required rank or priority;
- 8 (7) be executed in the required manner and form;
- 9 (8) be payable as required from the sources, in the medium  
10 of payment, and place or places inside or outside the state;
- 11 (9) be subject to authentication by a trustee or fiscal  
12 agent; and
- 13 (10) be subject to terms of redemption with or without  
14 premium.

15 (e) Bonds or bond anticipation notes may be sold in the manner,  
16 on the terms, and at the price the board determines. Bond anticipa-  
17 tion notes shall mature at the time or times determined by the board.  
18 Bonds shall mature at the time, not exceeding 50 years from their  
19 date, determined by the board.

20 (f) The corporation may by provisions in a resolution authoriz-  
21 ing or relating to the issuance of bonds or bond anticipation notes  
22 enter into the following agreements with the holders of the bonds or  
23 bond anticipation notes:

- 24 (1) pledge all or part of its revenue to which its right  
25 then exists or may thereafter exist, the money derived from the reve-  
26 nue, and the proceeds of its bonds or notes;
- 27 (2) covenant against pledging all or part of its revenue,  
28 or against permitting or suffering a lien on its revenue or property;
- 29

1 (3) covenant as to establishment of reserves or sinking  
2 funds and provide for, regulate, and dispose of the reserves or sink-  
3 ing funds;

4 (4) covenant regarding limitations on a right to sell or  
5 otherwise dispose of property of any kind;

6 (5) covenant as to bonds and notes to be issued, their  
7 limitations, terms and conditions, the custody, application and dispo-  
8 sition of the proceeds of the bonds and notes;

9 (6) covenant as to the issuance of additional bonds or  
10 notes, or limitations on the issuance of additional bonds or notes,  
11 and the incurring of other debts;

12 (7) covenant as to the payment of the principal of or  
13 interest on the bonds or notes, the sources and methods of payment,  
14 the rank or priority of the bonds or notes with respect to a lien or  
15 security, or the acceleration of the maturity of the bonds or notes;

16 (8) provide for the replacement of lost, stolen, destroyed  
17 or mutilated bonds or notes;

18 (9) covenant against extending the time for the payment of  
19 bonds or notes, or interest on the bonds or notes;

20 (10) covenant as to the redemption of bonds or notes and  
21 privileges of their exchange for other bonds or notes of the corpo-  
22 ration;

23 (11) covenant to create or authorize the creation of special  
24 funds of money to be held in pledge or otherwise for operating ex-  
25 penses, payment or redemption of bonds or notes, reserves or other  
26 purposes, and as to the use and disposition of the money held in the  
27 funds;

28 (12) establish the procedure by which the terms of a con-  
29 tract or covenant with or for the benefit of the holders of bonds or

1 notes may be amended or abrogated, the amount of bonds or notes the  
2 holders of which must consent to amendment or abrogation, and the  
3 manner in which the consent may be given;

4 (13) covenant as to the custody of any of its properties or  
5 investments, their safekeeping and insurance, and the use and disposi-  
6 tion of insurance money;

7 (14) vest in a trustee or trustees inside or outside the  
8 state property, rights, powers and duties in trust as the corporation  
9 may determine that may include any or all of the rights, powers and  
10 duties of a trustee appointed by the holders of bonds or notes of the  
11 corporation, and to limit or abrogate the rights of the holders of the  
12 bonds or notes of the corporation to appoint a trustee under this  
13 chapter or limit the rights, powers and duties of the trustee;

14 (15) pay the costs or expenses incident to the enforcement  
15 of the bonds or notes, of the provisions of the resolution, or of a  
16 covenant or agreement of the corporation with the holders of its bonds  
17 or notes;

18 (16) agree with a corporation trustee, that may be a trust  
19 company or bank having the powers of a trust company inside or outside  
20 the state, as to the pledging or assigning of revenue or funds that or  
21 in which the corporation has a right or interest; the agreement may  
22 provide for other rights and remedies exercisable by the trustee for  
23 the protection of the holders of bonds or notes of the corporation and  
24 not otherwise in violation of law, and may provide for the restriction  
25 of the rights of an individual holder of bonds or notes of the  
26 corporation;

27 (17) appoint and provide for the duties and obligations of a  
28 paying agent or other fiduciary inside or outside the state;

29

1 (18) limit the rights of the holders of bonds or notes of  
2 the corporation to enforce a pledge or covenant securing the bonds or  
3 notes; and

4 (19) make covenants other than and in addition to the cove-  
5 nants expressly authorized in this section, of like or different  
6 character, and make covenants to do or refrain from doing acts in  
7 order to better secure bonds or notes or that, in the absolute  
8 discretion of the board, will tend to make bonds or notes more  
9 marketable.

10 Sec. 42.40.580. INTERIM RECEIPTS, TEMPORARY BONDS, AND TEMPORARY  
11 BOND ANTICIPATION NOTES. Before the preparation of definitive bonds  
12 or bond anticipation notes, the corporation may issue interim receipts  
13 or temporary bonds or bond anticipation notes, with or without cou-  
14 pons, exchangeable for bonds or bond anticipation notes when these  
15 definitive bonds or bond anticipation notes have been executed and are  
16 available for delivery.

17 Sec. 42.40.590. VALIDITY OF SIGNATURES. If an officer whose  
18 signature or a facsimile of whose signature appears on bonds, notes,  
19 or coupons attached to them ceases to be an officer before the de-  
20 livery of the bond, note, or coupon, the signature or facsimile is  
21 valid the same as if the person had remained in office until delivery.

22 Sec. 42.40.600. INDEPENDENT FINANCIAL ADVISOR. In negotiating  
23 the private sale of bonds or bond anticipation notes to an under-  
24 writer, the board shall retain a financial advisor who is independent  
25 from the underwriter.

26 Sec. 42.40.610. VALIDITY OF PLEDGE. (a) The pledge of assets  
27 or revenue of the corporation to the payment of the principal or  
28 interest on bonds or notes of the corporation is valid and binding  
29 from the time the pledge is made and the assets or revenue are .

1 immediately subject to the lien of the pledge without physical  
2 delivery or further act. The lien of a pledge is valid and binding  
3 against all parties having claims of any kind in tort contract or  
4 otherwise against the corporation, irrespective of whether those  
5 parties have notice of the lien of the pledge.

6 (b) Nothing in this section prohibits the corporation from  
7 selling assets subject to a pledge, except that a sale may be re-  
8 stricted by the trust agreement or resolution providing for the issu-  
9 ance of the bonds or notes.

10 Sec. 42.40.620. REMEDIES. A holder of bonds or notes issued  
11 under this chapter or of coupons attached to them, and a trustee under  
12 a trust agreement or resolution authorizing the issuance of the bonds  
13 or notes, except as restricted by a trust agreement or resolution,  
14 either at law or in equity, may

15 (1) enforce all rights granted under this chapter, the  
16 trust agreement or resolution, or any other contract executed by the  
17 corporation under this chapter; and

18 (2) compel the performance of all duties of the corporation  
19 required by this chapter or by the trust agreement or resolution.

20 Sec. 42.40.630. NEGOTIABLE INSTRUMENTS. Bonds and notes issued  
21 under this chapter and interest coupons attached to them are nego-  
22 tiable instruments under the laws of this state, subject only to  
23 applicable provisions for registration.

24 Sec. 42.40.640. BONDS AND NOTES ELIGIBLE FOR INVESTMENT. Bonds  
25 and notes issued under this chapter are securities in which all public  
26 officers and public bodies of the state and its political subdivi-  
27 sions, all insurance companies, trust companies, banking associations,  
28 investment companies, executors, administrators, trustees and other  
29 fiduciaries may properly and legally invest funds, including capital

1 in their control or belonging to them. These bonds and notes may be  
2 deposited with a state or municipal officer of an agency or political  
3 subdivision of the state for any purpose for which the deposit of  
4 bonds or notes of the state is authorized by law.

5 Sec. 42.40.650. REFUNDING BONDS. (a) The corporation may  
6 provide for the issuance of refunding bonds for the purpose of refund-  
7 ing bonds then outstanding that have been issued under this chapter,  
8 including the payment of a redemption premium on them and interest  
9 that accrues to the date of redemption of the bonds. Refunding bonds  
10 shall be issued in accordance with provisions of this chapter that  
11 relate to the issuance of bonds to the extent those provisions are  
12 appropriate.

13 (b) Refunding bonds may be sold or exchanged for outstanding  
14 bonds issued under this chapter and the proceeds may be applied to the  
15 purchase, redemption or payment of the outstanding bonds in addition  
16 to other authorized purposes. Pending the application of the proceeds  
17 of refunding bonds to the payment of the principal, accrued interest  
18 and redemption premium on the bonds being refunded, and, if permitted  
19 in the resolution authorizing the issuance of the refunding bonds or  
20 in the trust agreement securing them, to the payment of interest on  
21 the refunding bonds and expenses in connection with the refunding, the  
22 proceeds may be invested in direct obligations of the United States or  
23 obligations the principal of and the interest on which are uncondi-  
24 tionally guaranteed by the United States that mature or may be re-  
25 deemed not later than the date the proceeds of the refunding bonds,  
26 together with the interest accruing on them, will be required for the  
27 purposes intended.

28 Sec. 42.40.660. CREDIT OF STATE NOT PLEDGED. (a) The state and  
29 its political subdivisions are not liable for the debts of the

1 corporation. Bonds and notes issued under this chapter are payable  
2 solely from the revenue or assets of the corporation and do not  
3 constitute a

4 (1) debt, liability, or obligation of the state or of a  
5 political subdivision of the state; or

6 (2) pledge of the faith and credit of the state or of a  
7 political subdivision of the state.

8 (b) The corporation may not pledge the credit or the taxing  
9 power of the state or its political subdivisions. Each bond and note  
10 issued under this chapter shall contain on its face a statement that

11 (1) the corporation is not obligated to pay it or the  
12 interest on it except from the revenue or assets pledged for it; and

13 (2) neither the faith and credit nor the taxing power of  
14 the state or of a political subdivision of the state is pledged to the  
15 payment of it.

16 Sec. 42.40.670. OFFICERS NOT LIABLE. An officer or employee of  
17 the corporation is not subject to personal liability or accountability  
18 because of the execution or issuance of bonds or notes.

19 Sec. 42.40.680. EXEMPTION FROM TAXATION. (a) The real and  
20 personal property of the corporation and its assets, income, and  
21 receipts are exempt from all taxes and special assessments of the  
22 state or a political subdivision of the state.

23 (b) This section does not affect or limit an exemption from  
24 license fees, property taxes, or excise, income or other taxes,  
25 provided under any other law, nor does it create a tax exemption with  
26 respect to the interest of any business enterprise or other person,  
27 other than the corporation.

28 (c) The exercise of the powers granted by this chapter shall be  
29 in all respects for the benefit of the people of the state, for their

1 well-being and prosperity, and for the improvement of their social and  
2 economic conditions. Therefore, the corporation is not required to  
3 pay a tax or assessment on property owned by the corporation under the  
4 provisions of this chapter or on the income from the property.

5 (d) Bonds and notes issued under this chapter are issued by a  
6 body corporate and public of the state and for an essential public and  
7 governmental purpose. Therefore, the bonds and notes, the interest  
8 and income from them, and all fees, charges, funds, revenue, income  
9 and other money pledged or available to pay or secure the payment of  
10 the bonds and notes or interest on them, are exempt from taxation  
11 except for inheritance, transfer, and estate taxes.

12 Sec. 42.40.690. REVERSION OF ASSETS. If the corporation ceases  
13 to exist, for whatever reason, its assets revert to the state.

14 ARTICLE 7. PERSONNEL AND LABOR RELATIONS.

15 Sec. 42.40.700 PERSONNEL. (a) Employees of the Alaska Railroad  
16 are employees of the corporation and not of the state. The provisions  
17 of AS 39 do not apply to employees of the corporation.

18 (b) The collective bargaining agreements between the corporation  
19 and its employees shall remain in effect until they expire by their  
20 terms or, as required under 45 U.S.C. 1206 (Alaska Railroad Transfer  
21 Act of 1982), they are renegotiated, subject to the approval of the  
22 board.

23 (c) The corporation may not enter into a collective bargaining  
24 agreement concerning wages, hours, working conditions or other  
25 employment terms, conditions and benefits with an organization  
26 representing the corporation's chief executive official or executive  
27 officials appointed by the chief executive official.

28 Sec. 42.40.710. POLITICAL ACTIVITIES. (a) Money, assets, or  
29 property of the corporation may not be used for political activity.

1 However, board members and employees of the corporation may  
2 communicate with and appear before committees of Congress, the state  
3 legislature, and municipal governing bodies in connection with matters  
4 directly affecting the corporation.

5 (b) A board member or employee who violates the provisions of  
6 this section is personally subject to a civil penalty assessed by a  
7 judge of the superior court in an amount not to exceed \$5,000. An  
8 action to enforce this section may be brought by any person.

9 ARTICLE 8. STATE OVERSIGHT AND REVIEW

10 Sec. 42.40.800. STATE OVERSIGHT (a). The board shall notify  
11 the governor and the leadership of the legislature before undertaking

12 (1) expansion, reduction, or diversification of services  
13 provided by the railroad upon the date of transfer to the authority or  
14 as provided under this chapter that the board determines would  
15 represent a significant and permanent change in the level and nature  
16 of services provided;

17 (2) extension of the main or branch lines by more than 25  
18 miles or 5 percent of the railroads total track mileage, whichever is  
19 greater; or

20 (3) the issuance of securities, notes, bonds or contracts  
21 with a term in excess of one year and in an amount exceeding  
22 \$5,000,000.

23 ARTICLE 8. GENERAL PROVISIONS.

24 Sec. 42.40.900. APPLICATION OF EXISTING STANDARDS. The Alaska  
25 Railroad Corporation is not subject to the jurisdiction of the Alaska  
26  
27  
28  
29