

ALASKA LEGISLATURE COMMITTEE FILES 1985-1988 00/2

3768

HTRA

HB 23

44

COMMITTEE SUBSTITUTE FOR HOUSE BILL 68 (FINANCE)

13TH LEGISLATURE

Offered: 4/11/83  
Referred: Rules

Original sponsors: Cato, Grussendorf  
and Flood

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR HOUSE BILL NO. 68 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA -  
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL  
6 For an Act entitled: "An Act relating to ferries and ferry terminals and  
7 establishing the Alaska Marine Highway Authority."

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

9 \* Section 1. PURPOSE. The purpose of this Act is to establish an  
10 authority for the operation, management, and planning and construction of  
11 facilities for the marine highway system that is independent of the state  
12 government. The authority shall be the exclusive state agency directly  
13 associated with the operation, management, planning and construction of  
14 facilities for the marine highway system.

15 \* Sec. 2. AS 19 is amended by adding a new chapter to read:

16 CHAPTER 70. ALASKA MARINE HIGHWAY AUTHORITY.

17 ARTICLE 1. CREATION AND ORGANIZATION.

18 Sec. 19.70.010. ALASKA MARINE HIGHWAY AUTHORITY. The Alaska  
19 Marine Highway Authority is established. The authority is a public  
20 corporation of the state. The corporation is an instrumentality of  
21 the state in the Department of Transportation and Public Facilities  
22 but has a legal existence independent of and separate from the state  
23 and has continuing succession until its existence is terminated by  
24 law.

25 Sec. 19.70.020. DIRECTORS. (a) The authority consists of seven  
26 directors appointed by the governor as follows: a representative of  
27 commercial carriers, a representative of the maritime industry, a  
28 representative of the tourism industry, and four members of the public  
29 representing regions served by the marine highway as follows: (1) one

1 member from region one (extending from Dixon Entrance to Skagway); (2)  
2 one member from region two (Kodiak Island); (3) one member from region  
3 three (Prince William Sound); and (4) one member from region four  
4 (Interior Alaska). The appointment of each director is subject to  
5 confirmation by the legislature.

6 (b) The directors serve at the pleasure of the governor for  
7 four-year terms. Each director shall hold office for the term of the  
8 director's appointment and until a successor is appointed and qual-  
9 ified. A director is qualified for reappointment. A vacancy in a  
10 directorship occurring other than by expiration of term shall be  
11 filled in the same manner as the original appointment but only for the  
12 unexpired term.

13 (c) The directors must be residents of the state and qualified  
14 <sup>am<sup>2</sup></sup> voters [at the time of appointment] and shall comply with the require-  
15 ments of AS 39.50 (conflict of interest). Each director before enter-  
16 ing upon the director's duties shall take and subscribe to an oath to  
17 perform the duties of office faithfully, impartially, and justly to  
18 the best of the director's ability. A record of the oath shall be  
19 filed with the Office of the Governor.

20 (d) The directors of the authority serve without compensation,  
21 but are entitled to travel and per diem expenses as provided in AS 39.  
22 20.180.

23 Sec. 19.70.030. OFFICERS AND QUORUM. The directors shall elect  
24 one of their number as chairman. The directors shall elect a secre-  
25 tary and a treasurer who need not be directors, and the same person  
26 may be elected to serve both as secretary and treasurer. The powers  
27 of the authority are vested in the directors, and four voting direc-  
28 tors of the authority constitute a quorum. Action may be taken and  
29 motions and resolutions adopted by the authority at any meeting by the

1 affirmative vote of at least four directors. A vacancy in the direc-  
2 torship of the authority does not impair the right of a quorum to  
3 exercise all the powers and perform all the duties of the authority.

4 Sec. 19.70.040. STAFF. The authority shall employ an executive  
5 director who serves at the pleasure of the authority as its chief  
6 administrative officer. The executive director may with the approval  
7 of the authority select and employ additional staff as necessary.  
8 Employees of the authority other than legal counsel and the executive  
9 director are in the classified service under AS 39.25. In addition to  
10 its staff of regular employees, the authority may contract for and  
11 engage the services of consultants, and professional, technical and  
12 financial advisors the authority considers necessary for the purpose  
13 of developing information, conducting hearings, studies, investiga-  
14 tions or other proceedings, or otherwise exercising its powers.

15 ARTICLE 2. POWERS AND DUTIES.

16 Sec. 19.70.050. POWERS OF AUTHORITY. In addition to other  
17 powers granted in this chapter, the authority may

- 18 (1) sue and be sued;
- 19 (2) adopt and alter an official seal;
- 20 (3) make and enforce bylaws and regulations for the conduct  
21 of its business and for the use of its services and facilities;
- 22 (4) maintain offices at any place in the state and at  
23 places out of the state that are served by the marine highway system;
- 24 (5) subject to appropriation by the legislature, acquire,  
25 hold, use and dispose of its income, revenues, funds and money;
- 26 (6) acquire, hold, use, lease, rent, construct and dispose  
27 of real and personal property for its purposes;
- 28 (7) operate, maintain, improve, and extend a system of  
29 ferries connecting with the public roads and highways of the state and

1 including the boats, vessels, wharves, docks, approaches, landings and  
2 appurtenances the authority determines to be necessary or desirable  
3 for safe and efficient operation of the ferry system so as to best  
4 serve the public;

5 (8) do all acts and things necessary, convenient, or desir-  
6 able to carry out the powers expressly granted or necessarily implied  
7 in this chapter;

8 (9) establish rates and tariffs, after public hearings;

9 (10) modify routes, after public hearings.

10 Sec. 19.70.055. DUTIES OF AUTHORITY. The authority shall

11 (1) assist the residents, businesses, and communities of  
12 the state in obtaining the best and most frequent possible marine  
13 passenger and freight service;

14 (2) schedule vessel sailings to maximize the frequency of  
15 service to all ports;

16 (3) encourage and integrate with other public and private  
17 carriers to the greatest extent possible to provide ferry service  
18 within the state and between Alaskan ports and ports outside the state  
19 in order to provide maximum service within the state;

20 (4) require pre-payment for reservations;

21 (5) provide reservation access and marketing information  
22 throughout the state;

23 (6) encourage vessel construction, maintenance, and service  
24 in the state to the greatest extent possible;

25 (7) employ residents of the state to the greatest extent  
26 legally possible;

27 (8) recognize Alaska-based unions and employee associations  
28 to the greatest extent legally possible.

29 Sec. 19.70.060. "ALASKA MARINE HIGHWAY SYSTEM": NAME AUTHO-

1 RIZED. The authority is authorized to operate its ferry system under  
2 the name "Alaska marine highway system".

3 Sec. 19.70.070. COMPREHENSIVE LONG-RANGE PLAN. The authority,  
4 with the cooperation of the Department of Transportation and Public  
5 Facilities, shall prepare a comprehensive long-range plan for the  
6 development and improvement of the marine highway system and revise  
7 and update the plan, subject to legislative approval, at least every  
8 five years.

9 ARTICLE 3. ACQUISITION OF PROPERTY.

10 Sec. 19.70.080. ACQUISITION OF LAND AND EASEMENTS. The authori-  
11 ty, as part of the cost of constructing, maintaining, or improving a  
12 ferry system, may acquire by purchase, gift, or exchange land in fee  
13 simple or easements that it considers necessary for present public  
14 use, either temporary or permanent, or that it considers necessary and  
15 reasonable for the public use. By the same means, the authority may  
16 obtain material, including clay, gravel, sand, or rock, or the land  
17 necessary to obtain the material, including access to it. The author-  
18 ity may so acquire the land or materials notwithstanding the fact that  
19 title to it is vested in the state or a department, agency, commis-  
20 sion, or institution of the state.

21 Sec. 19.70.090. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE  
22 OF EXCHANGE. When a majority of the directors of the authority de-  
23 clares that it is in the best public interest of the state to do so,  
24 the authority may acquire by purchase, gift, or exchange privately or  
25 publicly owned land or an interest in it for the purpose of exchanging  
26 it for privately or publicly owned land that the authority is author-  
27 ized by law to acquire.

28 Sec. 19.70.100. VACATING OF LAND OR RIGHTS IN LAND. The author-  
29 ity may vacate land, or part of it, or rights in land acquired for use

1 in the marine highway system by executing and filing a deed in the  
2 appropriate recording district. Upon vacating, title reverts to the  
3 persons, heirs, successors, or assigns in whom it was vested at the  
4 time of the taking. The authority may transfer land no longer con-  
5 sidered necessary for use in the marine highway system to the Depart-  
6 ment of Natural Resources for disposal. The proceeds of disposal by  
7 the Department of Natural Resources shall be credited to the funds  
8 from which the purchase was originally made.

9 ARTICLE 4. FERRY TERMINAL FACILITIES.

10 Sec. 19.70.110. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL  
11 FACILITIES. The authority may construct, purchase, or lease ferry  
12 terminal facilities at locations it selects for the loading and un-  
13 loading of passengers and vehicles under their own power, on and off  
14 ferries. The authority shall repair and maintain these facilities.

15 Sec. 19.70.120. CONNECTION OF FACILITIES TO HIGHWAYS. The  
16 authority may connect ferry terminal facilities with local highway  
17 systems.

18 Sec. 19.70.130. REGULATIONS. The authority may adopt rules and  
19 regulations governing the use of ferry terminal facilities by the  
20 public that it considers necessary and proper in the public interest.

21 Sec. 19.70.140. EXISTING FACILITIES NOT AFFECTED. A ferry  
22 terminal facility in existence and serving the public on January 1,  
23 1959, is not affected by AS 19.70.110 - 19.70.170.

24 ARTICLE 5. GENERAL PROVISIONS.

25 Sec. 19.70.150. ANNUAL REPORT. By January 15 of each year, the  
26 authority shall submit to the governor and the legislature a compre-  
27 hensive report describing the operations, income, and expenditures for  
28 the preceding fiscal year.

29 Sec. 19.70.160. ANNUAL AUDIT. The authority shall have its

1 financial records audited annually by a certified public accountant.  
2 The legislative auditor may prescribe the form and content of the  
3 financial records of the authority and shall have access to those  
4 records at any time.

5 Sec. 19.70.170. BUDGET AND APPROPRIATIONS. The authority shall  
6 submit its annual budget to the legislature through the governor as  
7 provided for state agencies by the Executive Budget Act (AS 37.07).  
8 It may expend money directly appropriated by the legislature only as  
9 authorized by the legislature.

10 Sec. 19.70.180. NAMING OF VESSEL OR FACILITY. (a) A vessel or  
11 facility of the Alaska marine highway system constructed or acquired  
12 by the authority under this chapter or AS 19.60 may be given a name  
13 only by law.

14 (b) A maritime vessel shall bear the name of an Alaska glacier.

15 (c) A vessel used principally on the inland waterways of the  
16 state shall bear the name of an historical vessel that used the rivers  
17 of the state.

18 Sec. 19.70.199. DEFINITIONS. In this chapter, unless the con-  
19 text requires otherwise,

20 (1) "authority" means the Alaska Marine Highway Authority  
21 established by this chapter;

22 (2) "capital improvement" means a project for the construc-  
23 tion, rehabilitation, rebuilding, enlarging, or improving of all or  
24 any part of the marine highway system, including, without limitation,  
25 boats, vessels, wharves, docks, approaches, landings, offices, and  
26 appurtenances as determined by the authority to be necessary or desir-  
27 able for efficient operation of the marine highway system and to best  
28 serve the public;

29 (3) "ferry" means a vessel used in the common carriage of

1 passengers and self-propelled vehicles in commerce.

2 Sec. 19.70.200. SHORT TITLE. This chapter may be cited as the  
3 Alaska Marine Highway Authority Act.

4 \* Sec. 3. AS 35.27 is amended by adding a new section to read:

5 Sec. 35.27.025. APPLICATION TO ALASKA MARINE HIGHWAY AUTHORITY.  
6 The requirements of this chapter apply to the Alaska Marine Highway  
7 Authority. Compliance with this chapter is the sole responsibility of  
8 the authority with respect to the public buildings and facilities of  
9 the authority.

10 \* Sec. 4. AS 35.27.030(2) is amended to read:

11 (2) "building" or "facility" means a permanent improvement  
12 constructed by the department or authority; the term

13 (A) includes, but is not limited to,

14 (i) schools, office buildings, and court build-  
15 ings;

16 (ii) other buildings which the commissioner deter-  
17 mines are designed for substantial public use;

18 (iii) boats and vessels of the marine highway  
19 system;

20 (iv) transportation facilities which accommodate  
21 traveling passengers;

22 (B) excludes other transportation facilities; [.]

23 \* 5. AS 35.27.030 is amended by adding a new paragraph to read:

24 (5) "authority" means the Alaska Marine Highway Authority.

25 \* 6. AS 39.50.200(b) is amended by adding a new paragraph to read:

26 (46) Alaska Marine Highway Authority (AS 19.70.010).

27 \* Sec. 7. AS 44.42.020(a)(1) is amended to read:

28 (1) plan, design, construct and maintain all state modes of  
29 transportation and transportation facilities and all docks, floats,

1 breakwaters, buildings and similar facilities, except that the depart-  
2 ment is not responsible for planning, design, construction, or mainte-  
3 nance of transportation modes or facilities under the jurisdiction of  
4 the Alaska Marine Highway Authority;

5 \* Sec. 8. AS 44.42.020(a)(7) is amended to read:

6 (7) manage, operate, and maintain state transportation  
7 facilities and all docks, floats, breakwaters and buildings, including  
8 all state highways, vessels, railroads, pipelines, airports, and  
9 aviation facilities, except that the department is not responsible for  
10 management, operation, or maintenance of transportation facilities,  
11 vessels, or equipment under the jurisdiction of the Alaska Marine  
12 Highway Authority;

13 \* Sec. 9. AS 19.60.010 - 19.60.070, and AS 19.65 are repealed.

14 \* Sec. 10. APPOINTMENT OF FIRST DIRECTORS OF ALASKA MARINE HIGHWAY  
15 AUTHORITY. The governor shall designate the terms of the directors of the  
16 Alaska Marine Highway Authority first appointed under AS 19.70.020. Of the  
17 seven directors first appointed

- 18 (1) two shall serve a term of two years;  
19 (2) two shall serve a term of three years;  
20 (3) three shall serve a term of four years.

HOUSE FINANCE COMMITTEE

MINUTES OF HB 68

The next bill to be considered was HB 62.

HB 63

HB 68 - An Act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority.

STEVE SOENKSEN, AIDE TO REPRESENTATIVE CATO, stated that the bill and idea has been around for sometime and been discussed in many committees. He said the bill sets up an authority to manage and operate the ferry system. He said the long term goal of the legislation and intent behind its formulation has been to move towards increased efficiency and accountability in the system. He said that if these two items are recognized it would possibly reduce the subsidy. Mr. Soenkson said the system is subsidized at the rate of 50 per cent of its operations. He said the fiscal note assumes that the Authority once established would recognize and want to fund existing as well as newly created positions. Mr. Soenkson referred to a section by section analysis included in the members packets as well as a DOT position paper.

Mr. Soenkson said one of the questions which comes up is the loss of federal funds following the establishment of an authority. He said federal funds are presently used for capital construction of the ferries themselves and referred to a letter from previous commissioner Ron Lind. Mr. Lind did not feel that federal funding would be jeopardized as it comes into the general fund and is reallocated or appropriated to the Marine Highway System.

Representative Adams asked if Representative Cato had some amendments to the bill. Mr. Soenkson said she may but is currently in Canada. Chairman Adams stated that the bill will be HELD until Monday at which time he plans to move the bill.

MARTY NUSBAUM, ACTING DIRECTOR, ALASKA MARINE HIGHWAY SYSTEM, stated the marine highway system is looking forward to working with the new Administration and new commissioner. He said several organization changes have already taken place, including the designation of a deputy commissioner for the marine highway system. Mr. Nusbaum said Commissioner Casey has yet to appoint a new deputy commissioner. He said they recognize that there are improvements which can be made and they ask, as did Commissioner Casey before the House Transportation Committee, for the opportunity to address the marine highway system through his own organization rather than through an authority.

Representative Lindauer asked how many main line ferries the state has. Mr. Nusbaum responded that there is the Columbia, Takur, Mal. pina, and Matanuska are considered Southeast main line ferries. He said the Tustemina is considered a main line ferry in the Southwest.

(Tape Change 83-34, Side 1)

There was lengthy discussion concerning the department's fiscal note and positions to be transferred or newly created should an authority be established.

### RECESS

Chairman Adams called a recess at 2:30 p.m. The meeting reconvened at 2:35 p.m.

Representative Grussendorf stated that this legislation has been moving through the halls for a number of years. He said that the Department has been made aware of the problems associated with the ferry system including unreliability, and use as a tour boat for outside travelers. He said there are questions about the quality of service and quantity of service to passengers. Representative Grussendorf recognized the fact that the Department of Transportation is a planning and engineering department of the state and had a section called service which was the Alaska Marine Highway System. He said he could understand why there could be a problem. Representative Grussendorf said the new commissioner has indicated that he has made every intent of improving the quality of the Alaska Marine Highway System. He said the intent of the creation of an Authority was to put pressure on the Department to look at the system and its inadequacies.

Representative Grussendorf said he would like to see this legislation move but has fears arise when thinking of the transfer to a new authority in comparison with the new commissioners desire to do a good job with the system. He felt that it would be best to give the new Administration time to address the problems with the Marine Highway System prior to moving the legislation to create a new Authority.

Chairman Adams asked Representative Grussendorf to review the fiscal note prior to Monday, April 4. He stated that Representative Flood is looking at keeping the system within the Department of Transportation. Representative Grussendorf asked if the fiscal note could be reviewed on Tuesday, April 5 as he would be out of town on April 4. Chairman Adams agreed to this date.

Representative Lindauer presented an amendment to HB 68 for the committee consideration (see attachment 1). Representative Lindauer MOVED AND ASKED UNANIMOUS CONSENT that page 2 of his amendments, number (4) be changed to read "require pre-payment for reservations". Representative Martin OBJECTED FOR DISCUSSION. Representative Martin asked if this would exclude individuals who have been given special privileges. Representative Lindauer did not think so. There being NO OBJECTION, it was so ordered.

Chairman Adams stated that HB 68 would come before the committee on Tuesday, April 5.

ADJOURNMENT

The meeting adjourned at 2:45 p.m.

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(Tape HFC 83-33, side 2 #001-end)  
(Tape HFC 83-34, Side 1 #001-#472)

HOUSE FINANCE COMMITTEE

April 5, 1983

3:00 p.m.

(Tape HFC 83-34, Side 2 #331)

CALL TO ORDER

Chairman Adams called the meeting to order at 3:00 p.m. and informed members that the first bill to be considered would be SSH 33.

PRESENT

All members of the committee were in attendance except Representative Zharoff. ALSO PRESENT: Representative Tischer; Representative Ringstad; Representative Uehling; Don Cubley, Inland Boatmans Union; and Mike Wilson, Inland Boatmans Union.

SSH 33

SSH 33 - An Act making a special appropriation to the Department of Public Safety for a state trooper facility in Anchorage; and providing for an effective date.

Representative Ward MOVED to report out of committee CSSSH 33 (Finance). There being NO OBJECTION, it was so ordered. CSSSH 33 (Finance) was reported out of committee with a "do pass" recommendation.

The next bill to be considered was HB 68.

HB 68

HB 68 - An act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority.

Representative Grussendorf, who had been assigned to review the fiscal note and suggested amendments for HB 68, provided members with a copy of proposed amendments made by Representative Cato. (attachment 1) He explained that many of these were duplicative of the amendments proposed by Representative Lindauer and previously approved by the committee. (see attachment 2) Representative Grussendorf felt that amendment number one as proposed by Representative Cato would be more appropriate as a Letter of Intent to be included with the committee substitute. He MOVED that Representative Lindauer's amendment to insert "DUTIES OF AUTHORITY" on page 4, line 3 be rescinded. Representative Lindauer OBJECTED.

RECESS

Chairman Adams called a recess at 3:07 p.m. The meeting was recalled to order at 3:11 p.m.

Representative Grussendorf WITHDREW HIS MOTION TO RESCIND THE COMMITTEE'S PREVIOUS ACTION. There being NO OBJECTION, it was so ordered. Representative Grussendorf MOVED to delete (8) on page 4, following line 8 as included in Representative Lindauer's amendment.

Representative Martin referred to Representative Lindauer's amendment which would read "recognize Alaskan-based unions and employee associations wherever possible" and expressed concern with unions which do not have their base within Alaska and potential problems with the national labor relations board act. He felt that the inclusion of this amendment would create more problems than eliminate and asked Representative Lindauer if he would withdraw the amendment. Representative Lindauer objected and felt that any problems associated with the national labor relations board is covered by the inclusion of the words "wherever possible". He said that this does not mandate that they recognize Alaska based unions. Representative Pestinger stated that from a legal standpoint he felt the amendment which states "employ residents of Alaska to the greatest extent legally possible" does not conflict with the commerce clause. He agreed with Representative Martin's concern with regard to Alaska based unions and said the language "wherever possible" is suspect to court attack under a doctrine of preemption of federal jurisdiction under the national labor relations act.

Representative Martin WITHDREW HIS OBJECTION and there being NO OBJECTION the motion to delete subsection (8) of Representative Lindauer's amendment was so ordered.

Representative Pestinger MOVED to change the newly numbered section (8) to read "recognize Alaskan-based unions and employee associations to the greatest extent legally possible". Representative Martin OBJECTED FOR DISCUSSION. He said that he concurs with part of the amendment but stated that any group can try to form together and say they are the Alaskan-based group. He asked if a new group should decide that they are the union foundation would they be sanctioned over the parent group in Seattle. Representative Lindauer said that if it is outside the laws of the NLRB and not possible the amendment will have no effect but if it is possible to have an Alaska based organization that of course is preferable. Representative Martin MAINTAINED HIS OBJECTION.

IN FAVOR: Duncan, Grussendorf, Lindauer, Pestinger, Adams, Bettisworth, Flood, Ward, Hurlbert

OPPOSED: Martin

The MOTION PASSED. (9-1)

Representative Duncan referred to Representative Lindauer's amendment which reads "schedule vessel sailings to maximize the frequency of service to all ports within the state. Representative Duncan hoped that this would not be interpreted by the Authority to mean they have the flexibility to look at cutting off a profitable run from Seattle to Southeastern Alaska. Representative Lindauer MOVED to change the section to read "schedule vessel sailings to maximize the frequency of service to all ports". There being NO OBJECTION, it was so ordered.

Representative Martin MOVED that the new subsection 9 be deleted. Representative Lindauer OBJECTED. Representative Martin felt that the word "unions" is too broad in its content and that there is no need for the inclusion of this statement in the legislation. He felt that it is too emotional of an issue.

The QUESTION was called for. The MOTION FAILED.

Representative Grussendorf MOVED that a Letter of Intent be drafted incorporating Representative Catos' amendment number 1. There being NO OBJECTION, it was so ordered.

Representative Grussendorf MOVED to report out of committee the fiscal note dated March 24, 1983. There being NO OBJECTION, it was so ordered.

DON CUBLEY, REPRESENTING THE INLAND BOATMANS UNION OF THE PACIFIC, stated that it is an acknowledged fact that there is room for improvement in the Marine Highway System, especially in the administration and scheduling of the ferries. Mr. Cubley said the most frequent heard criticisms are: (1) a lack of space; over bookings; poor reservation systems in general; and (2) lack of availability and frequency of ferry service to outlying communities such as Metlakatla and Prince of Wales Island on a year round basis. He said his clients are glad that the new administration, in particular the new commissioner, have shown a sensitivity to the problems and acknowledged shortcomings of the system. He said that they disagree with the commissioner's opposition to the legislation. Mr. Cubley said that his clients believe it may be the first step in improving the efficiency and responsiveness of the system that is the life blood of those who live in Southeastern Alaska and a great service to all the people of Alaska. He said many people touring Alaska see the marine highway system as their first exposure to Alaska. He said if it were a private maritime company it would surely be considered a large, if not one of the largest, shipping fleets on the seas today. He said that those who skipper and man the ships feel that the system and the services it provides all Alaskans is too large, too important, and too essential to be a subsection or department within the department of Transportation and Public Facilities. Mr. Cubley said that the Inland Boatmans Union of

the Pacific and the Masters, Mates and Pilots International support the concept and main thrust of HB 68.

Mr. Cubley said they do have some concerns with the bill in its existing form. The first concern was the fact that collective bargaining rights of all three unions, which have been running the ships for the last 20 years, is not addressed. He said they feel that before the bill is approved it would be helpful to have a section which identifies collective bargaining and protects it. He said the ability of the ships to run to and from Seattle needs to be protected. He said it is one of the most used and needed schedulings. Therefore, they had a concern with amendment number two which he felt had now been addressed by the committee. He said that assuming the collective bargaining rights are identified and protected and the integrity of the system maintained they would support passage of HB 68.

Representative Bettisworth MOVED to adopt a committee substitute for HB 68. There being NO OBJECTION, it was so ordered.

Representative Bettisworth MOVED that CSHB 68 (Finance) be reported out of committee along with the fiscal note dated 3/24/83 and Letter of Intent. Representative Duncan OBJECTED. He said he was surprised the committee was willing to adopt the fiscal note saying there is a lot of room for adjustment. He did not feel the committee would want to adopt a Letter of Intent which says the Authority is to provide the best level of service in a fiscally sound manner and then adopt a \$2 million dollar fiscal note.

Representative Duncan WITHDREW HIS OBJECTION. There being NO OBJECTION, it was so ordered and CSHB 68 (Finance) was reported out of committee with the fiscal note dated 3/24/83, a Letter of Intent and a "oo pass" recommendation.

The next bill to be considered was HB 130.

HB 130

HB 130 - An Act relating to homestead entry.

(Tape change 83-35, Side 1)

REPRESENTATIVE UEHLING, explained that the homestead bill is similar to a bill which was introduced last year and passed the senate and house but became a Christmas tree bill and was killed. He said the bill gets the land out to the people and is a popular idea endorsed by citizens of the state.

REPRESENTATIVE RINGTAD stated the Resources committee felt that a minimum acreage should be established and was set at 40 acres with a maximum of 100 acres. He said that some individuals felt there should be an agriculture requirement. He said if a person

HOUSE BILL 68 AMENDMENTS

HB 68 AMENDMENTS

~~Amendment 1~~

~~Page 1, Line 15~~

It is the policy of the state to:

provide necessary and desirable freight and passenger transportation services to residents, businesses, and visitors in the state;

develop and implement plans consistent with the goal of developing a transportation network that effect the policies set out in this subsection; and

provide safe, economical, and efficient transportation to residents, businesses and visitors in the state.

The legislature declares that

the exercise of the powers of the state in the interest of the people of the state is necessary to accomplish the policy as stated above by authorizing the creation of a public authority with the powers, duties, and functions as provided in this Act to operate the Alaska Marine Highway System and to manage its facilities;

it is in the best interests of the people of the state for the public authority created by this Act to operate and manage in a prudent manner the Alaska Marine Highway System;

to provide the best possible combination of types and levels of safe, efficient, and economical transportation that is necessary to meet the overall needs of the state, supported when necessary by state investments;

to minimize state subsidy and carry out its responsibilities in an attempt to become self-sustaining;

according to sound business management practices;

to provide the level of service that best satisfies the needs of the people of the state;

in a fiscally sound manner.

Amendment 2

Page 1, Line 29: Delete "two" and insert "one"

Page 2, Line 1: Delete "members" and insert "member"

Page 2, Line 2: Delete "and"

Page 2, Line 3: Following "sound" insert "and (one member from region four (Interior Alaska)).

Amendment 3

Page 4, following line 8

"Sec. 19.70.055 DUTIES OF THE AUTHORITY  
the authority may:

require pre-payment for reservations

provide access to information for reservations and  
marketing information for users of the marine highway  
system.

employ residents of Alaska to the greatest extent  
possible

enter into agreements with employee associations  
and/or unions

# Alaska State Legislature

Representative John Lindauer  
District 10-A  
3933 Geneva Place  
Anchorage, AK 99508



While in Juneau  
Pouch V  
Juneau, AK 99811  
465-3709

## House of Representatives

March 22, 1983

### A M E N D M E N T

By Lindauer *A.J.*

Offered in the HOUSE

TO: HB 68

Page 1, line 29:

Delete "two" and insert "one"

Page 2, line 1:

Delete "members" and insert "member"

Page 2, line 2:

Delete "and"

Page 2, line 3:

Following "sound" insert "and (4) one member from region four (Interior Alaska)"

Page 4, following line 8:

Insert the following:

"Sec. 19.70.055. DUTIES OF AUTHORITY. The authority shall

(1) assist the residents, businesses, and communities of the state in obtaining the best and most frequent possible marine passenger and freight service;

(2) schedule vessel sailings to maximize the frequency of service to <sup>All</sup> ports; ~~within the state.~~

(3) encourage and integrate with other public and private carriers to the greatest extent possible to provide ferry service within the state and between Alaskan ports and ports outside the state in order to provide maximum service within the state;

(4) require pre-payment for the reservations made by non-residents;

(5) provide reservation access and marketing information throughout Alaska;

(6) encourage vessel construction, maintenance, and service in Alaskan ports to the greatest extent possible;

(7) employ residents of Alaska to the greatest extent legally possible;

~~(8)~~ <sup>DELETE</sup> Prohibit to the greatest extent legally possible the provision of special benefits and compensation to non-resident employees including, but not limited to, paid travel between out-of-state residences and home ports and vessel scheduling for the purpose of taking vessels to out-of-state ports of residency instead of to the Alaskan ports most in need of service.

<sup>(8)</sup> ~~to the extent legally~~ recognize Alaskan-based unions and employee associations ~~wherever~~ possible."

Page 4, line 16, following "revised":

Delete "and" and insert ",," and, following "updated" insert "and approved by the legislature"

HOUSE BILL 68  
BY REPRESENTATIVE BETTE CATO  
13TH LEGISLATURE

Introduced: 1/18/83  
Referred: Transportation  
and Finance

1 IN THE HOUSE

BY CATO AND GRUSSENDORF

2

HOUSE BILL NO. 68

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to ferries and ferry terminals and  
7 establishing the Alaska Marine Highway Authority."

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

9 \* Section 1. PURPOSE. The purpose of this Act is to establish an  
10 authority for the operation, management, and planning and construction of  
11 facilities for the marine highway system that is independent of the state  
12 government. The authority shall be the exclusive state agency directly  
13 associated with the operation, management, planning and construction of  
14 facilities for the marine highway system.

15 \* Sec. 2. AS 19 is amended by adding a new chapter to read:

16 CHAPTER 70. ALASKA MARINE HIGHWAY AUTHORITY.

17 ARTICLE 1. CREATION AND ORGANIZATION.

18 Sec. 19.70.010. ALASKA MARINE HIGHWAY AUTHORITY. The Alaska  
19 Marine Highway Authority is established. The authority is a public  
20 corporation of the state. The corporation is an instrumentality of  
21 the state in the Department of Transportation and Public Facilities  
22 but has a legal existence independent of and separate from the state  
23 and has continuing succession until its existence is terminated by  
24 law.

25 Sec. 19.70.020. DIRECTORS. (a) The authority consists of seven  
26 directors appointed by the governor as follows: a representative of  
27 commercial carriers, a representative of the maritime industry, a  
28 representative of the tourism industry, and four members of the public  
29 representing regions served by the marine highway as follows: (1) [two] one

1 members from region one (extending from Dixon entrance to Skagway);  
2 (2) one member from region two (Kodiak Island); [and] (3) one member  
3 from region three (Prince William Sound). The appointment of each  
4 director is subject to confirmation by the legislature.

5 (b) The directors serve at the pleasure of the governor for  
6 four-year terms. Each director shall hold office for the term of the  
7 director's appointment and until a successor is appointed and qual-  
8 ified. A director is qualified for reappointment. A vacancy in a  
9 directorship occurring other than by expiration of term shall be  
10 filled in the same manner as the original appointment but only for the  
11 unexpired term.

12 (c) The directors must be residents of the state and qualified  
13 voters at the time of appointment and shall comply with the require-  
14 ments of AS 39.50 (conflict of interest). Each director before enter-  
15 ing upon the director's duties shall take and subscribe to an oath to  
16 perform the duties of office faithfully, impartially, and justly to  
17 the best of the director's ability. A record of the oath shall be  
18 filed with the Office of the Governor.

19 (d) The directors of the authority serve without compensation,  
20 but are entitled to travel and per diem expenses as provided in  
21 AS 39.20.180.

22 Sec. 19.70.030. OFFICERS AND QUORUM. The directors shall elect  
23 one of their number as chairman. The directors shall elect a secre-  
24 tary and a treasurer who need not be directors, and the same person  
25 may be elected to serve both as secretary and treasurer. The powers  
26 of the authority are vested in the directors, and four voting direc-  
27 tors of the authority constitute a quorum. Action may be taken and  
28 motions and resolutions adopted by the authority at any meeting by the  
29 affirmative vote of at least four directors. A vacancy in the

1 directorship of the authority does not impair the right of a quorum to  
2 exercise all the powers and perform all the duties of the authority.

3 Sec. 19.70.040. STAFF. The authority shall employ an executive  
4 director who serves at the pleasure of the authority as its chief  
5 administrative officer. The executive director may with the approval  
6 of the authority select and employ additional staff as necessary.  
7 Employees of the authority other than legal counsel and the executive  
8 director are in the classified service under AS 39.25. In addition to  
9 its staff of regular employees, the authority may contract for and  
10 engage the services of consultants, and professional, technical and  
11 financial advisors the authority considers necessary for the purpose  
12 of developing information, conducting hearings, studies, investiga-  
13 tions or other proceedings, or otherwise exercising its powers.

14 ARTICLE 2. POWERS AND DUTIES.

15 Sec. 19.70.050. POWERS OF AUTHORITY. In addition to other  
16 powers granted in this chapter, the authority may

- 17 (1) sue and be sued;
- 18 (2) adopt and alter an official seal;
- 19 (3) make and enforce bylaws and regulations for the conduct  
20 of its business and for the use of its services and facilities;
- 21 (4) maintain offices at any place in the state and at  
22 places out of the state that are served by the marine highway system;
- 23 (5) subject to appropriation by the legislature, acquire,  
24 hold, use and dispose of its income, revenues, funds and money;
- 25 (6) acquire, hold, use, lease, rent, construct and dispose  
26 of real and personal property for its purposes;
- 27 (7) operate, maintain, improve, and extend a system of  
28 ferries connecting with the public roads and highways of the state and  
29 including the boats, vessels, wharves, docks, approaches, landings and

1 appurtenances the authority determines to be necessary or desirable  
2 for safe and efficient operation of the ferry system so as to best  
3 serve the public;

4 (8) do all acts and things necessary, convenient, or desir-  
5 able to carry out the powers expressly granted or necessarily implied  
6 in this chapter;

7 (9) establish rates and tariffs, after public hearings;

8 (10) modify routes, after public hearings.

9 Sec. 19.70.060. "ALASKA MARINE HIGHWAY SYSTEM": NAME AUTHO-  
10 RIZED. The authority is authorized to operate its ferry system under  
11 the name "Alaska marine highway system".

12 Sec. 19.70.070. COMPREHENSIVE LONG-RANGE PLAN. The authority,  
13 with the cooperation of the Department of Transportation and Public  
14 Facilities, shall prepare a comprehensive long-range plan for the  
15 development and improvement of the marine highway system. The plan  
16 shall be revised and updated at least every five years.

17 ARTICLE 3. ACQUISITION OF PROPERTY.

18 Sec. 19.70.080. ACQUISITION OF LAND AND EASEMENTS. The authori-  
19 ty, as part of the cost of constructing, maintaining, or improving a  
20 ferry system, may acquire by purchase, gift, or exchange land in fee  
21 simple or easements that it considers necessary for present publ-  
22 use, either temporary or permanent, or that it considers necessary and  
23 reasonable for the public use. By the same means, the authority may  
24 obtain material, including clay, gravel, sand, or rock, or the land  
25 necessary to obtain the material, including access to it. The author-  
26 ity may so acquire the land or materials notwithstanding the fact that  
27 title to it is vested in the state or a department, agency, commis-  
28 sion, or institution of the state.

29 Sec. 19.70.090. AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE

7-0  
1 OF EXCHANGE. When a majority of the directors of the authority de-  
2 clares that it is in the best public interest of the state to do so,  
3 the authority may acquire by purchase, gift, or exchange privately or  
4 publicly owned land or an interest in it for the purpose of exchanging  
5 it for privately or publicly owned land that the authority is author-  
6 ized by law to acquire.

7 Sec. 19.70.100. VACATING OF LAND OR RIGHTS IN LAND. The author-  
8 ity may vacate land, or part of it, or rights in land acquired for use  
9 in the marine highway system by executing and filing a deed in the  
10 appropriate recording district. Upon vacating, title reverts to the  
11 persons, heirs, successors, or assigns in whom it was vested at the  
12 time of the taking. The authority may transfer land no longer con-  
13 sidered necessary for use in the marine highway system to the Depart-  
14 ment of Natural Resources for disposal. The proceeds of disposal by  
15 the Department of Natural Resources shall be credited to the funds  
16 from which the purchase was originally made.

17 ARTICLE 4. FERRY TERMINAL FACILITIES.

18 Sec. 19.70.110. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL  
19 FACILITIES. The authority may construct, purchase, or lease ferry  
20 terminal facilities at locations it selects for the loading and un-  
21 loading of passengers and vehicles under their own power, on and off  
22 ferries. The authority shall repair and maintain these facilities.

23 Sec. 19.70.120. CONNECTION OF FACILITIES TO HIGHWAYS. The  
24 authority may connect ferry terminal facilities with local highway  
25 systems.

26 Sec. 19.70.130. REGULATIONS. The authority may adopt rules and  
27 regulations governing the use of ferry terminal facilities by the  
28 public that it considers necessary and proper in the public interest.

29 Sec. 19.70.140. EXISTING FACILITIES NOT AFFECTED. A ferry

1 terminal facility in existence and serving the public on January 1,  
2 1959, is not affected by AS 19.70.110 - 19.70.170.

3 ARTICLE 5. GENERAL PROVISIONS.

4 Sec. 19.70.150. ANNUAL REPORT. By January 15 of each year, the  
5 authority shall submit to the governor and the legislature a compre-  
6 hensive report describing the operations, income, and expenditures for  
7 the preceding fiscal year.

8 Sec. 19.70.160. ANNUAL AUDIT. The authority shall have its  
9 financial records audited annually by a certified public accountant.  
10 The legislative auditor may prescribe the form and content of the  
11 financial records of the authority and shall have access to those  
12 records at any time.

13 Sec. 19.70.170. BUDGET AND APPROPRIATIONS. The authority shall  
14 submit its annual budget to the legislature through the governor as  
15 provided for state agencies by the Executive Budget Act (AS 37.07).  
16 It may expend money directly appropriated by the legislature only as  
17 authorized by the legislature.

18 Sec. 19.70.180. NAMING OF VESSEL OR FACILITY. (a) A vessel or  
19 facility of the Alaska marine highway system constructed or acquired  
20 by the authority under this chapter or AS 19.60 may be given a name  
21 only by law.

22 (b) A maritime vessel shall bear the name of an Alaska glacier.

23 (c) A vessel used principally on the inland waterways of the  
24 state shall bear the name of an historical vessel that used the rivers  
25 of the state.

26 Sec. 19.70.199. DEFINITIONS. In this chapter, unless the con-  
27 text requires otherwise,

28 (1) "authority" means the Alaska Marine Highway Authority  
29 established by this chapter;

1           (2) "capital improvement" means a project for the construc-  
2           tion, rehabilitation, rebuilding, enlarging, or improving of all or  
3           any part of the marine highway system, including, without limitation,  
4           boats, vessels, wharves, docks, approaches, landings, offices, and  
5           appurtenances as determined by the authority to be necessary or desir-  
6           able for efficient operation of the marine highway system and to best  
7           serve the public;

8           (3) "ferry" means a vessel used in the common carriage of  
9           passengers and self-propelled vehicles in commerce.

10           Sec. 19.70.200. SHORT TITLE. This chapter may be cited as the  
11           Alaska Marine Highway Authority Act.

12           \* Sec. 3. AS 35.27 is amended by adding a new section to read:

13           Sec. 35.27.025. APPLICATION TO ALASKA MARINE HIGHWAY AUTHORITY.  
14           The requirements of this chapter apply to the Alaska Marine Highway  
15           Authority. Compliance with this chapter is the sole responsibility of  
16           the authority with respect to the public buildings and facilities of  
17           the authority.

18           \* Sec. 4. AS 35.27.030(2) is amended to read:

19           (2) "building" or "facility" means a permanent improvement  
20           constructed by the department or authority; the term

21           (A) includes, but is not limited to,

22           (i) schools, office buildings, and court build-  
23           ings;

24           (ii) other buildings which the commissioner deter-  
25           mines are designed for substantial public use;

26           (iii) boats and vessels of the marine highway  
27           system;

28           (iv) transportation facilities which accommodate  
29           traveling passengers;

1 (B) excludes other transportation facilities; [.]

2 \* Sec. 5. AS 35.27.030 is amended by adding a new paragraph to read:

3 (5) "authority" means the Alaska Marine Highway Authority.

4 \* Sec. 6. AS 39.50.200(b) is amended by adding a new paragraph to read:

5 (46) Alaska Marine Highway Authority (AS 19.70.010.)

6 \* Sec. 7. AS 44.42.020(a)(1) is amended to read:

7 (1) plan, design, construct and maintain all state modes of  
8 transportation and transportation facilities and all docks, floats,  
9 breakwaters, buildings and similar facilities, except that the depart-  
10 ment is not responsible for planning, design, construction, or mainte-  
11 nance of transportation modes or facilities under the jurisdiction of  
12 the Alaska Marine Highway Authority;

13 \* Sec. 8. AS 44.42.020(a)(7) is amended to read:

14 (7) manage, operate, and maintain state transportation  
15 facilities and all docks, floats, breakwaters and buildings, including  
16 all state highways, vessels, railroads, pipelines, airports, and  
17 aviation facilities, except that the department is not responsible for  
18 management, operation, or maintenance of transportation facilities,  
19 vessels, or equipment under the jurisdiction of the Alaska Marine  
20 Highway Authority;

21 \* Sec. 9. AS 19.60.010 - 19.60.070, and AS 19.65 are repealed.

22 \* Sec. 10. APPOINTMENT OF FIRST DIRECTORS OF ALASKA MARINE HIGHWAY  
23 AUTHORITY. The governor shall designate the terms of the directors of the  
24 Alaska Marine Highway Authority first appointed under AS 19.70.020. Of the  
25 seven directors first appointed

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

27 (2) two shall serve a term of three years;

28 (3) three shall serve a term of four years.

SECTION-BY-SECTION ANALYSIS

OF

HB 68

HB 68

"An Act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority"

Sec. 1 Purpose : The purpose of this act is to establish an authority for the operation, management, and planning and construction of facilities for the marine highway system that is independent of state government. The authority shall be the exclusive state agency directly associated with the operation, management, planning and construction of facilities for the marine highway system.

Sec. 2 Adds a new chapter 70 to title 19; AS 19.70.010, ALASKA MARINE HIGHWAY AUTHORITY.

#### ARTICLE 1

This section creates the Marine Highway Authority as a public corporation of the state. The corporation is an instrumentality of the state in the Department of Transportation and Public Facilities but has a legal existence independent of and separate from the state and continues until its existence is terminated by law.

Sec. 19.70.020. DIRECTORS Directors, consists of seven directors, the commissioner of DOT/PF, ex-officio, (non-voting), and six directors appointed by the governor with the following qualifications; a representative of commercial carriers, representative of the maritime industry, a representative of the tourism industry, and three members of the public representing regions, two representatives from Region 1, Southeast Alaska, Kodiak, Region 2, and Region 3, southcentral (Prince William Sound).

Most language in this section is found in existing law for other authorities or boards pertaining to qualifications, conflict of interest... Directors serve without compensation, but are entitled to travel and per diem expenses.

Sec. 19.70.030 OFFICERS AND QUORUM The directors elect a chairman from their number. The directors shall elect a secretary that need not be one of the directors. Four directors constitute a quorum. Majority motions or action may be taken.

Sec. 19.70.040 STAFF The authority may employ staff, may contract for services in exercising it's powers.

#### ARTICLE 2

Sec. 19.70.050 POWERS OF THE AUTHORITY Sets out powers and obligations of the authority.

Sec. 19.70.060 authorizes the name for the system; "ALASKA MARINE HIGHWAY SYSTEM."

Sec. 19.70.070 COMPREHENSIVE LONG RANGE PLAN, mandates a comprehensive long range plan for the marine highway system that shall be updated at least every five years.

### ARTICLE 3

Sec. 19.70.080 ACQUISITION OF LAND AND EASEMENTS, sets out procedures that the authority utilizes to acquire property.

Sec. 19.70.090 AUTHORITY TO PURCHASE PROPERTY FOR THE PURPOSE OF EXCHANGE allows the authority to purchase property for exchange.

Sec. 19.70.100 VACATING OF LAND OR RIGHTS IN LAND, This section allows the authority to vacate land or use rights by filing a deed in the appropriate recording district. Upon vacating, title reverts to persons, heirs, successors, or assigns in whom it was vested at the time of the taking. The authority may transfer land to the Department of Natural Resources for disposal, proceeds of which go to the General Fund.

### ARTICLE 4

Sec. 19.70.110. ACQUISITION AND MAINTENANCE OF FERRY TERMINAL FACILITIES. Allows the authority to construct, purchase, or lease terminal facilities and requires them to repair such facilities.

Sec. 19.70.120 CONNECTION OF FACILITIES TO HIGHWAYS. The authority may connect ferry terminal facilities with local highway systems.

Sec. 19.70.130 REGULATIONS. Authority may adopt regulations for the use of terminal facilities.

Sec. 19.70.140 EXISTING FACILITIES NOT AFFECTED. Existing terminal facilities are not affected

### ARTICLE 5

Sec. 19.70.150 ANNUAL REPORT. By March 1 of each year, the authority shall submit to the governor and the legislature a comprehensive report describing the operations, income, and expenditures for the preceding calendar year.

Sec. 19.70.160 ANNUAL AUDIT Records shall be checked by a CPA. Allows a legislative auditor to prescribe the form and content of financial records and has access to these records at any time.

Sec. 19.70.170 BUDGET AND APPROPRIATIONS The authority is funded by the legislature through the governor by the Executive Budget Act (AS 37.07) Money is directly appropriated and may be spent as authorized.

Sec. 19.70.180 NAMING OF VESSEL OR FACILITY sets guidelines for naming

Sec. 19.70.199 DEFINITIONS should be self explanatory.

Sec. 3 AS. 35.27 APPLICATION TO ALASKA MARINE HIGHWAY AUTHORITY  
Requires the authority to comply to this chapter with respect to public buildings and facilities.

Sec. 4-8 of the bill amends existing law to relate to an authority to read "authority" instead of "Department" giving the authority jurisdiction in law where the department had been specified.

Sec. 9. AS. 19.60.101 - 19.60.070 and AS. 19.65 are repealed.

Sec. 10 Sets out appointments for the first directors of the Alaska Marine Highway System.

HOUSE TRANSPORTATION COMMITTEE MINUTES  
OF HB 68

STATE OF ALASKA  
THE LEGISLATURE

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

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May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House <u>TRANS.</u>	2-17-83	8:30am
	2-18-83	8:30am
	2-22-83	8:30am
	3-18-83	8:30am

HISTORY OF LEGISLATION  
&  
THE HOUSE JOURNAL OF THE 13TH LEGISLATURE

BILL HISTORY OF HOUSE BILL 68  
ALASKA MARINE HIGHWAY AUTHORITY  
13th LEGISLATURE

HOUSE BILL 68 was introduced by Representative Cato January 18, 1983 and referred to the House Transportation and Finance Committees.

House Bill 68 would establish the Alaska Marine Highway Authority for the operation, management, and planning and construction of facilities for the marine highway system that is independent of the state government (separate from the Department of Transportation and Public Facilities). The Authority would be made up of a board of directors appointed by the Governor, representative of the maritime and tourism industries, commercial carriers, and four members representing regions of the state served by the system. The Authority would be responsible for operating, maintaining, improving and extending a system of ferries connecting with the public roads and highways of the state, and for establishment of rates and tariffs, and for the modification of routes, after public hearings. The Authority would also prepare a long-range plan for the development and improvement of the system with the cooperation of the Department of Transportation and Public Facilities.

Gives the Authority the power to acquire property it considers necessary for public use, to construct, purchase, or lease ferry

terminal facilities, and to connect facilities to local highway systems. Amends sections relating to the powers and duties of the Department of Transportation and Public Facilities by stating the Department would no longer be responsible for management, operation, planning, design, construction, etc. of the Alaska Marine Highway system.

Repeals existing laws relating to the ferry system: AS 19.60.010-19.60.707 (Highways and Ferries. Ferry Terminal Facilities); AS 19.65 (Alaska Marine Highway system). Does not provide for an effective date (effective 90 days after Governor's signature).

CSHB 68 (FINANCE)

PAGE 1, LINE 29

PAGE 2, LINE 1      Eliminates one of the two members from southeast

PAGE 2, LINE 3&4    Adds to the Authority a member representing Alaska.

PAGE 4, LINE 10-28 Adds new section listing duties of the Authority.

PAGE 5, LINE 7      Requires legislative approval of revisions or updates to the Authority's comprehensive

long-range plan.

Attached letter of intent

CSHB 68 (FINANCE) (AMENDED)

PAGE 2, LINE 13 Deleted from the language from the section on directors "(c) The directors must be residents of the state and qualified voters [at the time of appointment] and shall comply with the requirements of AS 39.50 (conflict of interest).

The bill passed the House 25-14-1

The Finance letter of intent was adopted 23-14-2

The bill passed the House on reconsideration 24-14-0-2

The letter of intent was adopted on reconsideration 24-14-0-2

CSHB 68 (FINANCE)(AMENDED) was sent to the Senate May 27 and referred to Transportation and Finance. It never was heard in Senate Transportation.

HB 68 AN ACT RELATING TO FERRIES AND FERRY TERMINALS AND ESTABLISHING THE ALASKA MARINE HIGHWAY AUTHORITY

AMENDED TITLE: CS\*(FIN)AM

PRIME SPONSORS: CATO

CO-SPONSORS: GRUSSENDORF FLOOD

<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>HOUSE ACTION</u>	<u>DATE</u>	<u>SEQ. NO.</u>	<u>JOURNAL PAGE</u>	<u>SENATE ACTION</u>
01/18/83	01	0044	FIRST READING -- COMMITTEE REPORTS	** 05/27/83	21	1134	FIRST READING -- COMMITTEE REPORTS
03/21/83	02	0571	TRAN -- DP03, DHP02, NR02				TRANSPORTATION
03/21/83	03	0571	TRSP F/NOTE HSE SUPPL #27				FINANCE
04/11/83	04	0807	FIN -- CS02, NR05				RULES
04/11/83	05	0807	FIN LETTER OF INTENT				
04/11/83	06	0807	FIN F/NOTE HSE SUPPL #37				
05/25/83	07	1529	SECOND READING				
05/25/83	08	1529	FIN CS ADOPTED BY UNAN CONSENT				
05/25/83	09	1529	AM01 WITHDRAWN				
05/25/83	10	1530	ADVANCED TO 3RD READING BY UNAN CONSENT				
05/25/83	13	1530	AM02 ADOPTED BY UNAN CONSENT				
05/25/83	14	0000	ADVANCED TO 3RD READING BY UNAN CONSENT				
05/25/83	11	1530	THIRD READING				
05/25/83	12	1530	RETURNED TO 2ND READING BY UNAN CONSENT				
05/25/83	15	1531	PASSED BY DIV 25-14-01				
05/25/83	16	1532	LETTER OF INTENT ADPTD BY DIV 23-14-03				
05/25/83	17	1532	NOTICE OF RECONSIDERATION GIVEN				
05/26/83	18	1549	FAILED TO RETN 2ND READING BY DIV 13-25-02				
05/26/83	19	1550	PASSED ON RECONSIDERATION BY DIV 24-14-02				
05/26/83	20	1551	LETTER OF INTENT ADOPTED BY DIV 24-14-				

✓ HB 68

HOUSE BILL NO. 68 by Cato and Grussendorf, entitled:

"An Act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority."

was read the first time and referred to the Transportation and Finance Committees.

HB 69

HOUSE BILL NO. 69 by Cato, entitled:

"An Act relating to the Department of Transportation and Public Facilities and establishing the Board of Transportation and Public Facilities at the head of the department."

was read the first time and referred to the Transportation and Finance Committees.

HB 70

HOUSE BILL NO. 70 by Cato, entitled:

"An Act relating to regions in the Department of Transportation and Public Facilities and prescribing the duties of regional transportation and public facilities directors."

was read the first time and referred to the Transportation and Finance Committees.

HB 71

HOUSE BILL NO. 71 by Shultz and Phillips, entitled:

"An Act relating to the teachers' retirement system; and providing for an effective date."

was read the first time and referred to the Labor & Commerce, State Affairs and Finance Committees.

HB 72

HOUSE BILL NO. 72 by Shultz,

"An Act making a special appropriation to the Department of Public Facilities for certain transportation projects; and providing for an effective date."

was read the first time and referred to the Transportation and Finance Committees.

Senator Faiks and Senator Hagan were given congratulations from the Senate for their organized and ready to do business.

UNFINISH

Representative M. M. Miller consented that Representative of the House January 21, 1983. There being no objection, it

Representative M. M. Miller be added as co-sponsors to

HB 9

HOUSE BILL NO. 9 (making a special appropriation to the Department of Environment and Conservation)

Representative La  
Representative Ko  
Representative We  
Representative Mc  
Representative M.  
Representative Va  
Representative Da

HB 20

HOUSE BILL NO. 20 (relating to the Alaska Public Offices and the standards of conduct for public

March 21, 1983, was read stating that the following resolution and has transmitted and enrolled copies to the Lieutenant Governor for permanent filing:

**SPECIAL CONCURRENT RESOLUTION**  
(disapproving Executive Order No. 7.)

Executive Resolve No. 7.

MESSAGES FROM THE SENATE

March 18, 1983, was read stating that the following citation and it is under consideration:

Bring Close-Up Students  
Senator Ferguson and All Other Members  
to the Senate

referred to the Rules Committee for placement on the calendar.

March 18, 1983, was read stating that the following is transmitting for consideration:

REPORTING AND REFERENCE OF SENATE BILLS

REPORT FOR SENATE BILL NO. 24 (Judiciary)  
Judiciary Committee, entitled:

relating to penalties for assault on a peace officer, fire fighter, police officer, or other emergency personnel.

referred to the Judiciary Committee.

REPORTS OF STANDING COMMITTEES

SCR 3

The Finance Committee has had SENATE CONCURRENT RESOLUTION NO. 3 (extending the life of the Blue Ribbon Commission on the State Personnel Act) under consideration and reports it back as follows: Bettisworth, Flood, Ward, Hurlbert, Zharoff, Duncan, Grussendorf and Lindauer recommend do pass; Pestinger recommends do not pass; and Adams (Chairman) and Martin have no recommendation. A new fiscal note was attached.

SCR 3 was referred to the Rules Committee for placement on the calendar.

The new fiscal note appears in House Journal Supplement No. 27.

HB 68

The Transportation Committee has had HOUSE BILL NO. 68 (relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority) under consideration and reports it back as follows: Cato (Chairman), Herrmann and M. W. Miller recommend do pass; McBride and Lacher recommend do not pass; and Abood and Phillips have no recommendation. A fiscal note was attached.

HB 68 was referred to the Finance Committee.

The fiscal note appears in House Journal Supplement No. 27.

HB 103

The Finance Committee has had HOUSE BILL NO. 103 (establishing a Department of Corrections and transferring certain functions of the Department of Health and Social Services to the Department of Corrections; effective date) under consideration, recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 103 (Judiciary) (same title) (page 533 of the journal), and reports it back as follows: Bettisworth (Vice-Chairman), Pestinger, Hurlbert, Lindauer, Ward, Grussendorf, Flood and Martin recommend do pass; Zharoff recommends do not pass; and Duncan recommends "do pass without transfer of juveniles." A new fiscal note was attached.

HB 103 appears on today's calendar.

The new fiscal note appears in House Journal Supplement No. 27.

ATE BILL NO. 161 (Finance) by  
ed:

appropriation to the  
Technology Center for  
trol education; and  
ective date."

ferred to the House Special  
ie Finance Committee.

PENDING COMMITTEES

had COMMITTEE SUBSTITUTE FOR  
e) (making a supplemental ap-  
ent fund dividends; effective  
id reports it back as follows:  
Flood, Ward, Hurlbert, Zharoff,  
and Bettisworth recommend do

to the Rules Committee for

ad SPONSOR SUBSTITUTE FOR HOUSE  
he determination of population  
amounts of state aid; effective  
recommends it be replaced with  
NSOR SUBSTITUTE FOR HOUSE BILL  
le), and reports it back as  
Martin and Ward recommend do  
can and Zharoff have no recom-  
te was attached.

Rules Committee for placement on

ad HOUSE BILL NO. 68 (relating  
als and establishing the Alaska  
nder consideration, recommends

HB 68

it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO.  
68 (Finance) (same title), and reports it back as follows:  
Flood and Ward recommend do pass; Adams (Chairman), Zharoff,  
Kestinger, Duncan and Martin have no recommendation. A  
letter of intent and a new fiscal note were attached.

HB 68 was referred to the Rules Committee for placement on  
the calendar.

The new fiscal note appears in House Journal Supplement No.  
47. The letter of Intent appears below:

LETTER OF INTENT  
FOR  
CSHB 68 (FINANCE)

It is the policy of the state to:

- 1) provide necessary and desirable freight and passenger transportation services to residents, businesses, and visitors in the state;
- 2) develop and implement plans consistent with the goal of developing a transportation network that effects the policies set out in this legislation; and
- 3) provide safe, economical, and efficient transportation to residents, businesses and visitors in the state.

The Legislature further declares that:

- 1) in the interest of the people of the state it is necessary to exercise the powers of the state to accomplish the policy as stated above by authorizing the creation of a public authority with the powers, duties, and functions as provided in this Act to operate the Alaska Marine Highway System and to manage its facilities;
- 2) it is in the best interests of the state for the public authority to operate and manage, in a prudent manner, the Alaska Marine Highway System created in this Act;
- 3) it is in the best interests of the state to provide the best possible combination of types and levels of safe, efficient, and economical transportation that is necessary to meet the overall needs of the state, supported by state investments, when necessary;
- 4) it is in the best interests of the state to minimize state subsidy and for the authority to function as an

HB 68

enterprise entity in an attempt to become self-sustaining, to carry out the Authority's responsibilities; according to sound business management practices to provide the level of service that best satisfies the needs of the people of the state in a fiscally sound manner.

Respectfully submitted,

/s/

Al Adams, Chairman

SSHB 88

The Health, Education & Social Services Committee has had SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 88 (making a special appropriation to the Department of Health and Social Services for the acquisition and improvement of the Buchner Building in Whittier as a correctional facility; effective date) under consideration and reports it back as follows: Tischer (Co-Chairman) and M. W. Miller recommend do pass; Fritz (Co-Chairman), Goll and Davis have no recommendation.

SSHB 88 was referred to the Finance Committee.

HB 196

The Health, Education & Social Services Committee has had HOUSE BILL NO. 196 (relating to provision of adequate housing for public school teachers in rural areas) under consideration and reports it back as follows: Fritz (Co-Chairman), Davis, Koponen and Goll recommend do pass. A zero fiscal note was attached.

HB 196 was referred to the Finance Committee.

HB 230

The Health, Education & Social Services Committee has had HOUSE BILL NO. 230 (relating to licensing and regulation of the practice of medicine) under consideration, recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 230 (HESS):

"An Act relating to licensing and regulation of the practice of medicine and extending the termination date of the State Medical Board; and providing for an effective date."

HB 230

and reports it back as follows: Cato, Goll, Koponen and Davis recommend do pass. A zero fiscal note was attached.

HB 230 was referred to the Finance Committee.

The new fiscal note appears in the Finance Committee report on page 37.

HB 276

The Resources Committee has had the Alaska Agricultural Loan Program under consideration, recommends it be replaced with SUBSTITUTE FOR HOUSE BILL NO. 276 (relating to the Alaska Agricultural Loan Program) and reports it back as follows: Liska, and Larson recommend do pass; Vaska have no recommendation. A zero fiscal note was attached.

HB 276 was referred to the Finance Committee.

INTRODUCTION, FIRST READINGOF HOUSE BILLSHB 345

HOUSE BILL NO. 345 by Floor Action, entitled:

"An Act relating to the sentencing of persons convicted of a crime and providing for changes in sentencing."

was read the first time and referred to the Finance Committee.

INTRODUCTION OF CITATIONS

Citations were received:

Neil Finnesand  
Representative Shultz

Ken Eichner  
Representatives McBride, Wendte  
and Ziegler

They were referred to the Rules Committee  
of the calendar.

COMMITTEE FIRST READING AND REFERENCEOF HOUSE BILLS

by Hayes, entitled:

"Relating to group life insurance;  
and providing for an effective date."

It was read a second time and referred to the Labor and

CONSIDERATION OF THE DAILY CALENDARSECOND READING OF HOUSE BILLSHB 68

HOUSE BILL NO. 68 (relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority) was read the second time with the Transportation Committee report (page 571 of the journal), and the Finance Committee report (page 806 of the journal).

Representative Barnes moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 68 (Finance) (same title) be adopted in lieu of the original bill. There being no objection, it was so ordered.

CSHB 68(Fin)

Amendment No. 1 by M. M. Miller:

Page 3, line 19

Delete line 19

Re-number following paragraphs.

Representative M. M. Miller moved and asked unanimous consent that Amendment No. 1 be adopted.

Representative Barnes objected.

Representative M. M. Miller moved and asked unanimous consent that Amendment No. 1 be withdrawn. There being no objection, it was so ordered.

CSHB 68(Fin)

Representative Barnes moved and asked unanimous consent that CSHB 68(Fin) be considered engrossed, advanced to third reading and placed on final passage.

Representative Clocksin objected and withdrew his objection. There being no further objection, it was so ordered.

CSHB 68(Fin) was read the third time.

Representative Zharoff moved and asked unanimous consent that CSHB 68(Fin) be returned to second reading for the purpose of specific amendment.

Representative Pestinger objected and withdrew his objection. There being no further objection, it was so ordered.

Amendment No. 2 by Zharoff:

Page 2, line 14

Delete "at the time of appointment"

Representative Zharoff moved and asked unanimous consent that Amendment No. 2 be adopted.

Representative Abood objected and withdrew his objection. There being no further objection, it was so ordered.

CSHB 68(Fin)am

The question being: "Shall CSHB 68(Fin) be adopted?"  
The roll was taken with the following result:

CSHB 68(FIN)AM

Yeas:	25	Abood, Adams, Barne Bussell, Cato, Cowd Fuller, Furnace, G Herrmann, Hurlbert, Liska, Martin, Mill Pestinger, Ringstad Ward, Zharoff
Nays:	14	Clocksin, Davis, Du Goll, Koponen, Lars McBride, Miller, M. Szymanski, Tischer,
Excused:	1	Vaska
Absent:	0	

And so, CSHB 68(Fin)am passed the House.

Representative Adams moved and asked that the Finance Committee letter of (the journal) be adopted by the House.

Representative Malone objected.

CSHB 68(Fin)am

The question being: "Shall the letter of (the journal) be adopted?"  
The roll was taken with the following result:

nes moved and asked unanimous consent  
be considered engrossed, advanced to  
placed on final passage.

cksin objected and withdrew his objec-  
: no further objection, it was so or-

ead the third time.

roff moved and asked unanimous consent  
be returned to second reading for the  
s amendment.

tinger objected and withdrew his objec-  
no further objection, it was so ordered.

Zharoff:

at the time of appointment"

roff moved and asked unanimous consent  
2 be adopted.

od objected and withdrew his objection.  
urther objection, it was so ordered.

CSHB 68(Fin)am

The question being: "Shall CSHB 68(Fin)am pass the House?"  
The roll was taken with the following result:

CSHB 68(FIN)AM

Yeas:	25	Aboud, Adams, Barnes, Bettisworth, Bussell, Gato, Cowdery, Fritz, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Harlbert, Lacher, Lindauer, Liska, Martin, Miller, N.W., Pestinger, Ringstad, Shultz, Uehling, Ward, Zharoff
Nays:	14	Clocksion, Davis, Duncan, Flood, Goll, Koponen, Larson, Malone, McBride, Miller, M.S., Phillips, Szymanski, Tischer, Wendte
Excused:	1	Vaska
Absent:	0	

And so, CSHB 68(Fin)am passed the House.

Representative Adams moved and asked unanimous consent  
that the Finance Committee letter of intent (page 806 of  
the journal) be adopted by the House.

Representative Malone objected.

CSHB 68(Fin)am

The question being: "Shall the letter of intent be adopted?"  
The roll was taken with the following result:

CSHB 68(Fin)am

## CSHB 68(FIN)AM INTENT

Yeas: 23 Abood, Adams, Barnes, Bettisworth,  
Bussell, Cato, Cowdery, Fritz,  
Fuller, Furnace, Grussendorf, Hayes,  
Herrmann, Hurlbert, Lacher, Lindauer,  
Liska, Martin, Miller, M.W.,  
Pestinger, Ringstad, Shultz, Ward

Nays: 14 Clocksin, Davis, Duncan, Goll,  
Koponen, Larson, Malone, McBride,  
Miller, M.M., Phillips, Szymanski,  
Uehling, Wendte, Zharoff

Excused: 1 Vaska

Absent: 2 Flood, Tischer

And so, the letter of intent was adopted.

Representative M. M. Miller served notice of reconsideration of his vote on CSHB 68(Fin)am.

LEGISLATIVE CITATIONS

Representative Martin moved and asked unanimous consent that the citation Honoring Mary Hale be shown as being sponsored by all members of the House. There being no objection, it was so ordered.

Representative Abood moved and asked unanimous consent that the citation Honoring Mary Hale be approved by the House. There being no objection, it was so ordered and it was referred to the Chief Clerk for transmittal to the Senate.

UNFINISHED BUSINESSCSHJR 42(Rls)

Representative Koponen brought up vote on COMMITTEE SUBSTITUTE FOR NO. 42 (Rules) (relating to the estate relationship with Taiwan) at 2

THIRD READING OF HOUSE

CSHJR 42(Rls) was automatically in read the third time.

The question to be reconsidered being "The question to be reconsidered being pass the House?" The roll was taken result:

CSHJR 42(RULES) RECON

Yeas: 26 Abood, Adams,  
Bussell, Cato,  
Fuller, Furnace,  
Herrmann, Hurlbert,  
Liska, Martin,  
Pestinger, Phillips,  
Tischer, Uehling

Nays: 10 Clocksin, Davis,  
Koponen, Lacher,  
Miller, M.M., S

Excused: 1 Vaska

Absent: 3 Flood, Shultz,

Phillips moved and asked unanimous consent that the bill be withdrawn. There being no objection, it was so ordered.

Mr. Barnes moved and asked unanimous consent that the bill be considered engrossed, advanced to third reading and passed on final passage. There being no objection, it was so ordered.

At the third time.

Mr. G. asked: "Shall SSB 85 pass the House?" The result was the following:

8 Abood, Barnes, Bettisworth,  
Bussell, Cowdery, Flood, Fritz,  
Furnace, Hayes, Lacher, Liska,  
Martin, Phillips, Ringstad,  
Szymanski, Tischer, Uehling, Ward

2 Adams, Cato, Clocksin, Davis,  
Duncan, Fuller, Goll, Grussendorf,  
Herrmann, Hurlbert, Koponen, Larson,  
Lindauer, Malone, McBride,  
Miller, M.M., Miller, M.W., Pestinger,  
Shultz, Vaska, Wendte, Zharoff

Bill failed to pass the House.

Mr. Szymanski served notice of reconsideration on SSB 85.

Mr. G. moved and asked unanimous consent that the bill be held until Monday, May 30, 1983. There being no objection, it was so ordered.

CSHB 68(Fin)am

Representative M. M. Miller brought up the reconsideration of COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 68 (Finance) amended (ferries and ferry terminals and establishing the Alaska Marine Highway Authority).

HOUSE BILLS IN THIRD READING

CSHB 68(Fin)am was automatically before the House in third reading and was read the third time.

Representative M. M. Miller moved and asked unanimous consent that CSHB 68(Fin)am be returned to second reading for specific amendment.

Amendment No. 1 by M. M. Miller:

Page 2, line 5:

After "legislature" add: "at least four of the members shall be residents of Southeast Alaska"

Representative Cato objected.

The question being: "Shall CSHB 68(Fin)am be returned to second reading for specific amendment?" The roll was taken with the following result:

CSHB 68(FIN)AM MOTION

Yeas: 13 Clocksin, Davis, Duncan, Flood,  
Goll, Koponen, Larson, Malone,  
Miller, M.M., Phillips, Vaska, Wendte,  
Zharoff

Nays: 25 Abood, Adams, Barnes, Bettisworth,  
Bussell, Cato, Cowdery, Fritz,  
Fuller, Furnace, Grussendorf, Hayes,  
Herrmann, Lacher, Lindauer, Liska,  
Martin, McBride, Miller, M.W.,  
Pestinger, Ringstad, Shultz, Tischer,  
Uehling, Ward

Excused: 0

Absent: 2 Hurlbert, Szymanski

And so, CSHB 68(Fin)am was not returned to second reading.

CSHB 68(Fin)am

The question to be reconsidered: "Shall CSHB 68(Fin)am pass the House?" The roll was taken with the following result:

CSHB 68(FIN)AM RECON

Yeas:	24	Abood, Adams, Barnes, Bettisworth, Bussell, Cato, Cowdery, Fuller, Furnace, Grussendorf, Hayes, Herrmann, Lacher, Lindauer, Liska, Martin, Miller, M.W., Pestinger, Ringstad, Shultz, Tischer, Uehling, Ward, Zharoff
Nays:	14	Clocksinn, Davis, Duncan, Flood, Fritz, Goll, Koponen, Larson, Malone, McBride, Miller, M.M., Phillips, Vaska, Wendte
Excused:	0	
Absent:	2	Hurlbert, Szymanski

Representative Fritz changed his vote from "yea" to "nay."

Representative Cato changed her vote from "nay" to "yea."

And so, CSHB 68(Fin)am passed the House on reconsideration of the vote.

Representative Barnes moved for adoption of the Letter of Intent (page 806 of the journal).

The question being: "Shall the Letter of Intent be adopted?" The roll was taken with the following result:

CSHB 68(Fin)amCSHB 68(FIN)AM INTENT

Yeas:	24	Abood, Adams, Barr, Bussell, Cato, Cow Fuller, Furnace, Herrmann, Lacher, Liska, Martin, Mil Pestinger, Ringsta Ward
Nays:	14	Clocksinn, Davis, Goll, Koponen, Mal Miller, M.M., Phil Vaska, Wendte, 7
Excused:	0	
Absent:	2	Hurlbert, Szymanski

And so, the Letter of Intent was adopted.

CSHB 68(Fin)am was referred to the Committee.

SECOND READING OF HOUSE RESOLUTIONHCR 37

HOUSE CONCURRENT RESOLUTION NO. 37 (development policy) was read the second time. The Labor and Commerce Committee report (page 806 of the journal) and the Resources Committee report (page 807 of the journal) were read.

Representative Barnes rose to a point of order.

The Speaker cautioned Representative Barnes not to debate the resolution before the body.

to be reconsidered: "Shall CSHB 68(Fin)am  
" The roll was taken with the following

## RECON

24 Abood, Adams, Barnes, Bettisworth,  
Bussell, Cato, Cowdery, Fuller,  
Furnace, Grussendorf, Hayes,  
Herrmann, Lacher, Lindauer, Liska,  
Martin, Miller, M.W., Pestinger,  
Ringstad, Shultz, Tischer, Uehling,  
Ward, Zharoff

14 Clocksin, Davis, Duncan, Flood,  
Fritz, Goll, Koponen, Larson, Malone,  
McBride, Miller, M.M., Phillips,  
Vaska, Wendte

0

2 Hurlbert, Szymanski

Fritz changed his vote from "yea" to "nay."

Cato changed her vote from "nay" to "yea."

(Fin)am passed the House on reconsideration

Barnes moved for adoption of the Letter of  
of the journal).

Q: "Shall the Letter of Intent be adopted?"  
A: The roll was taken with the following result:

CSHB 68(Fin)am

## CSHB 68(FIN)AM INTENT

Yeas: 24 Abood, Adams, Barnes, Bettisworth,  
Bussell, Cato, Cowdery, Fritz,  
Fuller, Furnace, Grussendorf, Hayes,  
Herrmann, Lacher, Larson, Lindauer,  
Liska, Martin, Miller, M.W.,  
Pestinger, Ringstad, Shultz, Tischer,  
Ward

Nays: 14 Clocksin, Davis, Duncan, Flood,  
Goll, Koponen, Malone, McBride,  
Miller, M.M., Phillips, Uehling,  
Vaska, Wendte, Zharoff

Excused: 0

Absent: 2 Hurlbert, Szymanski

And so, the Letter of Intent was adopted.

CSHB 68(Fin)am was referred to the Chief Clerk for engrossment.

SECOND READING OF HOUSE RESOLUTIONSHCR 37

HOUSE CONCURRENT RESOLUTION NO. 37 (relating to economic development policy) was read the second time with the Labor and Commerce Committee report (page 1327 of the journal) and the Resources Committee report (page 1525 of the journal).

Representative Barnes rose to a point of order.

The Speaker cautioned Representative Koponen to limit debate to the resolution before the body.

PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 68 Date on Bill: 7/18/83  
 Title: Re ferries & ferry terminals & establish Alaska Marine Highway Authority  
 Sponsor: Dean and Smitsendorf  
 Requestor: House Transportation Committee

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		2220.4	1360.0	1500.0
Total				
Revenue				

2. Source of funds to offset fiscal impact of bill:

Sponsor did not identify source.

3. Assumptions:

4. Disclaimer:  
 This statement has not been reviewed by the OMB in the Office of the Governor. It not represent the policy of the Sheffield Administration or the final estimate of impact.

Prepared By: Donna Goldbach Phone: 465-3911  
 Division: Financial Management Date: \_\_\_\_\_

Approved by Commissioner: [Signature] Date: 3/17  
 Department: Transportation & Public Facilities

5. Distribution:  
 Original to Legislative Finance  
 Copy to OMB  
 Copy to Sponsor  
 Copy to Requestor

2/8/83

III. ANALYSIS

There are administrative and organizational topics not specifically addressed in House Bill No. 68, "An Act relating to ferries and ferry terminals and establishing the Alaska Marine Highway Authority". Since the proposed legislation is similar in each of these bills, we are making the following assumptions in preparation of fiscal notes for each bill.

1. There is no offsetting credit taken for the expenditure of earned revenue to support the cost of operation of "Alaska Marine Highway Authority". In actuality, the initial cost would be the same if funding came from a direct appropriation for the full cost of operations from the legislature with earned revenue returned to the General Fund, or if earned revenue was expended with an appropriation to support the shortfall.
2. It is assumed the "Alaska Marine Highway Authority's" Payroll, Personnel, and Accounting systems would feed into the existing State systems to insure checks and balances, and would eliminate the necessity of creating a duplicate system.
3. We have assumed that initial start-up costs will be fully funded by the Legislature.
4. It is assumed the "Authority's" funding would be at the Division level and allocated to operating components as set out in its budget.
5. We have assumed a General Fund Subsidy for the difference between the total operating cost and the expected revenue for each fiscal year. We have further assumed that the total amount authorized would be available at the beginning of each fiscal year to allow the "Authority" to plan operations for each year.
6. The same inflation factor would apply to the "Authority's" budget request as followed by State agencies. We have assumed it to be seven percent (7%) for the fiscal note.
7. Initially the "Authority" would continue direct involvement with the State in the following:
  - A. Occupancy of a State owned office building.
  - B. Continued support from the State mail system.
  - C. Access to the State equipment fleet.
  - D. Access to the Statewide purchasing contract (i.e. fuel).



DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
DIVISION OF MARINE HIGHWAY SYSTEMS

## NEW POSITIONS

HB 68

Position	Wage At Started Range Step A	Range	Wages	9/30/82 APSR FY83 Wage	Location	Notes
Operations Director	*51,840	24	552,656		JNO	
Computer Manager I	*36,492	19	36,463		JNO	
Accounting Supervisor III	*34,056	18	34,044		JNO	
Systems Analyst	*34,056	18	34,044		JNO	
Property Control Officer III	*34,056	18	34,044		JNO	
Information Officer	*32,868	17	31,620		JNO	
Purchasing Agent I	*29,556	16	29,460		JNO	
Communications Specialist	*29,556	16	29,460		JNO	
Internal Auditor	*29,556	16	29,460		JNO	
Accounting Supervisor II	*29,556	16	29,460		JNO	
Computer Operator	*25,740	14	25,620		JNO	
Computer Operator	*25,740	14	25,620		JNO	
Personnel Technician II	*25,740	14	25,620		JNO	
Accounting Technician I	*22,668	12	22,440		JNO	
Personnel Technician I	*22,668	12	22,440		KTH	
Accounting Clerk III	*20,076	10	19,944		JNO	
Accounting Clerk II	*21,984	9	18,768		SRD	
Mail Clerk Carrier III	*19,524	9	18,768		JNO	
Data Processing Asst	*18,936	9	18,768		JNO	
Data Processing Asst	*18,936	9	18,768		JNO	
Maintenance Foreman	*29,679	WG 55	29,679		JNO	
Maintenance Man	*27,905	WG 56	27,905		JNO	
Maintenance Man	*26,286	WG 57	26,306		JNO	
Executive Secretary III	*29,556	16	29,460		JNO	

I. REQUEST  
Bill/Resolution  
Title: At AC  
Requested by:II. FISCAL DETAIL  
Agency Affect:  
Program Categ:  
RFD Program:  
(Note: If more  
amount:

## EXPENDITURES

100 PERSONNEL, TEMP  
200 TRAVEL  
300 CONTRACTUAL  
400 COMMODITIES  
500 EQUIPMENT  
600 LAND & STRUCT.  
700 GRANTS, CLAIMS.

TOTAL

FUNDING (Show

GENERAL FUND  
FEDERAL FUNDS  
OTHER (Specify Sou

## POSITIONS

FULL TIME  
PART TIME  
TEMPORARY

III. ANALYSIS (See

Passage of H.R.  
beyond FY 83.  
and has fiscal  
existing Depart  
Committee to pr  
the FY 84 budge  
The amount pr  
funding will be  
dollars to star  
funding will pr  
for some person  
and other costs

IV. DATE 3/21/82

Original: Legislat  
cc: Budget &  
Prime Sp  
33-001 (Rev. 12/82)

1983

## HOUSE JOURNAL SUPPLEMENT

April 11, 1983

No. 37

## FISCAL NOTE

HB  
69

I. REQUEST  
 Bill/Resolution No. CS HB 68 (FINANCE) Page 1 of 5  
 Title Establishing an Alaska Marine Highway Authority  
 Requested by \_\_\_\_\_ Date 4/7/83

II. FISCAL DETAIL  
 Agency Affected Department of Transportation and Public Facilities  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, Or Subprogram(s) Affected Marine Highway System  
 (Note: If more than one budget component is affected, separate line-item  
 amounts and funding for each component in the analysis section.)

## EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES		5402.4	3838.7	5101.7	5187.3	5162.9
200 TRAVEL		73.4	97.8	103.6	109.8	116.4
300 CONTRACTUAL		507.0	297.1	209.8	222.4	235.7
400 COMMODITIES		30.0	61.2	64.9	68.8	72.9
500 EQUIPMENT		60.8	70.2	76.3	77.8	70.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL Operating		\$1073.6	\$1436.0	\$1421.9	\$1507.1	\$1597.4
Capital			577.0			

## FUNDING (Thousands of Dollars)

GENERAL FUND		\$1073.6	\$2013.0	\$1421.9	\$1507.1	\$1597.4
FEDERAL FUNDS						
OTHER (Specify Source)		\$100.0				

## POSITIONS

FULL TIME		18	26	26	26	26
PART TIME						
TEMPORARY						

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

(SEE ATTACHED)

IV. DATE 4/7/83 PREPARED BY Jerry Schilz  
 AGENCY Rep. Grussendorf's Office  
 Original: Legislative Finance PHONE \_\_\_\_\_  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 32-001 (Rev. 12/82)

## IV. ANALYSIS

The following assumptions were made:

1. The "Alaska Marine Highway Authority's" Payroll, Personnel, and Accounting systems would use the existing State systems.
2. A General Fund subsidy for the difference between the total operating cost and the expected revenue for each fiscal year, and availability of the full amount at the beginning of each fiscal year to allow the "Authority" to plan operations for each year.
3. Inflation factor of six percent (6%) for future years.
4. "Authority" would continue to use:
  - A. State owned office buildings.
  - B. The State mail system.
  - C. The State equipment fleet.
  - D. The statewide purchasing contracts (i.e. fuel).
  - E. "Shared" communications lines.
  - F. Insurance, bonding, etc., as now supplied.
  - G. Legal service from the Attorney General's office.
  - H. DCA Computer Services for the first year.
  - I. Accounting services would be gradually absorbed during 1984.
5. Equipment for the proposed twenty-four (24) new hire employees would be \$60.8 in FY 84 and \$20.2 in FY 85.
6. The "Authority" would require its own computer, and one time costs would be \$577.0 for hardware which would be acquired in 1985.
7. The first year shows a one time start-up funds for Contractual \$477.0; (Legal Services \$212.0; Software/consultant service \$265.0); and \$10.0 Commodities (primarily office supplies). FY 85 includes additional space rent \$99.2.
8. Excluding transfers the actual increase for Personal Services is \$402.4 to fund eighteen (18) new positions (most less than 12 months) in FY 84, six (6) in FY 85. (See attached list.)

<u>MHS EXISTING</u> <u>ADMINISTRATIVE</u>	<u>DOT</u> <u>TRANSFERS</u>	<u>NEW</u> <u>POSITIONS</u>	<u>TOTAL</u> <u>POSITIONS</u>
PFT 36	PFT 32	PFT 24	PFT 92
PPT 4			PPT 4

No increases has been made in Vessel or Shore Facility Personnel.

Approximately \$238,500 of CIP funded positions are proposed to be partially general funded (\$100,000) because they would be considered operational.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
DIVISION OF MARINE HIGHWAY SYSTEMS

## NEW POSITIONS

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<u>Position</u>	<u>Wage At</u> <u>Started Range</u> <u>Step A</u>	<u>Range</u>	<u>Wages</u>	<u>FY 84</u> <u>No.</u>	<u>\$</u>	<u>Location</u>	<u>Notes</u>
Operations Director	*\$1,840	24	\$52,656	12	\$2,656	JNO	All positions funded 12 months in FY 85
Computer Manager I	*\$6,492	19	36,468	-0-	-0-	JNO	
Accounting Supervisor III	*\$4,056	18	34,044	12	30,044	JNO	
Systems Analyst	*\$4,056	18	34,044	12	30,044	JNO	
Property Control Officer III	*\$4,056	18	34,044	6	17,022	JNO	
Information Officer	*\$2,868	17	31,680	12-	31,680	JNO	
Purchasing Agent I	*\$2,556	16	29,460	6	14,730	JNO	
Communications Specialist	*\$2,556	16	29,460	-0-	-0-	JNO	
Internal Auditor	*\$2,556	16	29,460	12	29,460	JNO	
Accounting Supervisor II	*\$2,556	16	29,460	3	7,365	JNO	
Computer Operator	*\$2,574	14	25,620	-0-	-0-	JNO	
Computer Operator	*\$2,574	14	25,620	-0-	-0-	JNO	
Personnel Technician II	*\$2,574	14	25,620	3	6,405	JNO	
Accounting Technician I	*\$2,668	12	22,440	3	5,610	JNO	
Personnel Technician I	*\$2,668	12	22,440	3	5,610	JNO	
Accounting Clerk III	*\$20,076	10	19,944	3	4,986	JNO	
Accounting Clerk II	*\$21,984	9	18,768	3	4,692	SED	
Mail Clerk Carrier III	*\$19,524	9	18,768	3	4,692	JNO	
Data Processing Asst	*\$18,936	9	18,768	-0-	-0-	JNO	
Data Processing Asst	*\$18,936	9	18,768	-0-	-0-	JNO	
Maintenance Foreman	*\$29,679	WG 55	29,679	3	14,840	JNO	

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES  
DIVISION OF MARINE HIGHWAY SYSTEMS

## NEW POSITIONS

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Position	Wage At Started Range Step A	Range	Wages	FY 84		Location	Notes
				Mo.	\$		
Maintenance Man	*27,905	VG 56	27,905	3	6,976	JNO	All positions funded 12 m in FY 85.
Maintenance Man	*26,286	VG 57	26,306	3	6,377	JNO	
Executive Secretary III	*29,556	16	29,460	12	29,460	JNO	
					302,849		

PRELIMII

Bill No: CSHB 230  
 Title: An Act relating to licenses  
 Sponsor: Rules by request of the Gov  
 Requestor: \_\_\_\_\_

Estimated fiscal impacts on:

a. Expenditures:

Capital	Operating	Total

b. Revenues: 459.0 each four  
 Revenue

c. Source of funds to offset if  
 not identified

d. Assumptions:

Personal ser  
 Travel  
 Commodities  
 Equipment  
 Contractual

e. Disclaimer:  
 This statement has not been  
 prepared to represent the policy or  
 impact.

Prepared By: DAVE PALM  
 Division: H. HESS

Approved by Commissioner: \_\_\_\_\_  
 Department: \_\_\_\_\_

f. Distribution:  
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