

ALASKA LEGISLATURE COMMITTEES FILED 1905-1900

3788

HTRA

HB 364

664



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

10/31/89
Date

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STATE OF ALASKA
THE LEGISLATURE

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

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May, 1986

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS date base CM 14. In order to save space copies of minutes have not been left in the files.

Jeanie Henry

| | | |
|---------------------------------|----------|---------|
| House Transportation Committee, | 3/28/85, | 7:00 am |
| " " " | 4/2/85, | 7:00 am |
| " " " | 4/4/85, | 7:00 am |
| " " " | 4/10/85, | 7:00 am |
| " " " | 2/12/85, | 7:00 am |

COMMITTEE REPORT
HOUSE

4/24
4/12
HEALTH, EDUCATION
AND SOCIAL SERVICES
FINANCE

(7)

FURTHER: FINANCE

4/11/85

Date: _____

The Committee on TRANSPORTATION has had HB 364

"An Act relating to commercial motor vehicle licensing and safety inspections; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 364 (TRSP) same title
- new title
- and recommends it does pass
- AND attaches a "Letter of Intent" New Fiscal Note Sup 55
- Zero Fiscal Note Attached
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Mike Dennis

Bob [unclear]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[unclear]

[Signature]

CHAIRMAN

MARCO

THIS SAFETY INSPECTION PROGRAM IS SIMILAR TO THAT WHICH YOU ADDRESSED IN HB 133 BEFORE SPLITTING THE AIR CARRIERS FROM THE MOTOR CARRIERS.

THE PURPOSE OF THIS CHAPTER IS TO PUT THE INSPECTION OF VEHICLES IN THE PRIVATE SECTOR. THE DEPARTMENT OF SAFETY WOULD HAVE AUTHORITY TO CERTIFY THE INSPECTORS AND INSPECTION STATIONS AND BE GIVEN THE RESPONSIBILITY OF OVERSIGHT OF THE PROGRAM. THE ACTUAL INSPECTIONS WOULD BE DONE IN THE PRIVATE SECTOR.

ALTHOUGH YOU HAVE BEEN PROVIDED WITH A SECTIONAL ANALYSIS, I WOULD LIKE TO ADDRESS THE BILL ITSELF AND RELAY THE INTENT OF THE TRANSPORTATION COMMITTEE AND HOW WE CAME UP WITH SOME OF THE LANGUAGE IN THIS BILL.

SECTION 1 ALLOWS THE DIVISION OF MOTOR VEHICLE TO REFUSE THE RIGHT TO ISSUE VEHICLE REGISTRATION IF THE VEHICLE DOES NOT HAVE A

CURRENT CERTIFICATE OF INSPECTION. THIS IS ONE OF THE MOST IMPORTANT PARTS OF THE BILL SIMPLY BECAUSE IT JUST FLAT SAYS, IF YOU HAVEN'T HAD YOUR VEHICLE INSPECTED THEN YOU DON'T GET THE REGISTRATION AND WITHOUT THE REGISTRATION YOU DON'T DRIVE IT.

SECTION 2 PROVIDES A NEW CLASSIFICATION FOR A PERSON TO DRIVE A COMMERCIAL MOTOR VEHICLE. TO QUALIFY, AN APPLICANT MUST BE AT LEAST 21 YEARS OF AGE, HAVE HELD A VALID DRIVER'S LICENSE AT LEAST ONE YEAR, AND SATISFY THE DEPARTMENT'S STANDARDS FOR COMPETENCE AND FITNESS. WE DISCUSSED PUTTING INTO THE BILL THE STANDARDS FOR THE LICENSE, BUT DECIDED TO LEAVE THE SPECIFICS OF THAT TO THE DEPARTMENT IN THEIR REGULATION PROCESS. WE DID VOICE AT THE MEETINGS THAT WE EXPECT THEM TO HAVE QUALIFIED PERSONNEL GIVING THE EXAM AND THE DRIVING TEST MUST BE IN THE APPROPRIATE CLASS OF VEHICLE. FOR EXAMPLE IF THE OPERATOR IS BEING LICENSED TO DRIVE A TRACTOR OR A SEMI-TRAILER, HE SHOULD DEMONSTRATE THAT CAPABILITY ON THE ROAD TO A TESTER WITHIN THE DEPARTMENT.

WE ALSO PROVIDED FOR A GRANDFATHER CLAUSE TO INCORPORATE THE 19
YEAR OLDS THAT PRESENTLY ARE PERMITTED TO DRIVE A COMMERCIAL MOTOR
VEHICLE. THIS IS COVERED UNDER SECTION 4 AFTER THE DEFINITIONS
SECTION.

SECTION 3 IS THE NEW CHAPTER WHICH ADDRESSES THE SAFETY INSPECTION
PROGRAM.

SINCE YOU ARE FAMILIAR WITH THIS SECTION OF THE BILL I WILL BRIEFLY
OUTLINE THE DIFFERENCES BETWEEN HB 133 (TRSP) AND THE BILL BEFORE
YOU NOW.

UNDER SECTION 28.32.010 OF HOUSE BILL 364 TITLED "COMMERCIAL MOTOR
VEHICLE SAFETY INSPECTIONS. THE TRANSPORTATION COMMITTEE HAS THE
RENEWAL OF THE CERTIFICATE OF INSPECTION "AT LEAST SEMI-ANNUALLY"
AS OPPOSED TO ONCE A YEAR.

THIS CHANGE HAS BEEN SUPPORTED BY THE ADMINISTRATION AND THE TRUCKING INDUSTRY.

WE ALSO PROVIDED IN THAT SAME SECTION, "THE OWNER MAY RENEW A CERTIFICATE OF INSPECTION AT ANY TIME DURING THE OFFICE HOUR OF THE INSPECTION STATION"

AS YOUR ANALYSIS NOTES, THIS WAS INSERTED SO THE INSPECTIONS WOULD BE DONE AT THE DISCRETION OF THE OPERATOR AND NOT SCHEDULED BY THE DEPARTMENT.

SECTION 28.32 020 ADDRESSING "EXEMPTIONS" WAS CHANGED TO EXEMPT FEDERAL GOVERNMENT VEHICLES, UNLESS THE VEHICLES IS USED TO TRANSPORT PROPERTY OF THE GENERAL PUBLIC FOR COMPENSATION IN COMPETITION WITH OTHER PERSONS...

THIS WOULD INCLUDE SUCH BUSINESSES AS FEDERAL EXPRESS, PARCEL POST, ETC.

SECTION 28.32.030 TITLED OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION STATIONS, WE HAVE AGAIN INCLUDED LANGUAGE RELATING TO "DURING BUSINESS HOURS" WHICH THIS TIME ADDRESSES WHEN THE DEPARTMENT MAY ENTER THE INSPECTION STATION TO INSPECT IT TO SEE THAT THE REQUIREMENTS ARE BEING MET.

BOTH IN THIS SECTION AND IN THE SECTION DEALING WITH THE CERTIFICATION OF COMMERCIAL MOTOR VEHICLE INSPECTORS, WE HAVE CHANGED THE LANGUAGE DEALING WITH THE APPEAL PROCESS SHOULD AN INSPECTION STATION OR INSPECTOR HAVE A PERMIT SUSPENDED OR REVOKED.

WE SAID THAT THE PERMIT HOLDER HAS 30 DAYS AFTER SUSPENSION OR REVOCATION TO FILE A WRITTEN REQUEST WITH THE DEPARTMENT FOR A HEARING AND THE DEPARTMENT HAS 10 DAYS TO HOLD A HEARING.

OUR INTENT WAS TO GIVE THE INSPECTOR TIME TO GET HIS REQUEST TO THE DEPARTMENT FOR A HEARING, BUT WE WANTED THE DEPARTMENT TO BE

LIMITED IN THE AMOUNT OF TIME IT MUST HOLD A HEARING. IN PREVIOUS BILLS, THAT PROCESS WAS REVERSED.

THE SECTION ON DEFINITIONS HAS BEEN CHANGED SUBSTANTIALLY AFTER A GREAT DEAL OF DISCUSSION AND SUBCOMMITTEE WORK.

THE DEFINITION FOR "COMMERCIAL MOTOR VEHICLE" WAS WRITTEN WITH THE INTENT TO ADDRESS THOSE VEHICLES WHICH OPERATE ON THE STATE'S ROADS; INCLUDING SCHOOL BUSES, STATE OR LOCAL GOVERNMENT VEHICLES AND TRAILERS 5000 POUNDS OR MORE UNLADEN GROSS WEIGHT WHEN CONNECTED TO A POWER UNIT.

OUR PURPOSE OF THIS DEFINITION WAS TO REACH THOSE VEHICLES WHICH MUST BE INSPECTED. WE DIDN'T FEEL THAT STATE OR LOCAL VEHICLES SHOULD BE EXEMPT, NOR SHOULD A BUS.

AFTER DISCUSSION ON THE TRAILERS, IT WAS BROUGHT OUT THAT THE TRAILERS THAT SHOULD BE INCLUDED ARE THOSE WHICH ARE 5000 POUNDS OR

MORE, YOUR FLATBED TRAILERS THAT ARE USED IN LONG-HAUL OR LOCAL
CARTAGE AND ARE A PART OF THE BRAKING SYSTEM,

THE COMMITTEE ALSO FELT IT WAS NECESSARY TO DEFINE "COMMERCIAL
PURPOSES" OF WHICH THE LANGUAGE WAS TAKEN FROM ONE OF THE SENATE
TRANSPORTATION COMMITTEE MEETINGS. UNFORTUNATELY, IT WAS AMENDED
TO THE POINT WHERE WE FELT IT DEFEATED THE PURPOSE. OUR PURPOSE IS
SAFETY, AND IF YOU DRIVE A VEHICLE OF 10,000 POUNDS OR MORE UNLADEN
GROSS WEIGHT, WHETHER YOU'RE IN BUSINESS DIRECTLY OR INDIRECTLY, IT
SHOULD BE INSPECTED FOR SAFETY.

THUS, THE DEFINITION FOR "COMMERCIAL PURPOSES"

OBVIOUSLY "DEPARTMENT" IS NOW DEFINED AS PUBLIC SAFETY NOT COMMERCE

AND FINALLY, OUR LAST CHANGE WAS IN THE DEFINITION OF "FREIGHT".

WE HAVE BEEN ASSURED THAT GRAVEL AND DUMP TRUCKS ARE COVERED UNDER

THIS DEFINITION. PLUS, WE HAVE DELETED [EXCLUDING GARBAGE AND
TRASH] AS WE WANT THEM INSPECTED ALSO.

MARCO - YOU'RE ON YOUR OWN FOR AN ENDING.

MAY 02 1985

07155

ML ANCHORAGE AK 99504-00 403P 7ST
PKS

PERLETTE CATZ

JUNEAU

RE: SOS-CSHB 133 - COMMERCIAL MOTOR VEHICLE LICENSING/INSPECTION
WE, IN FOR-HIRE TRUCK TRANSPORTATION BUSINESS, ARE VIOLENTLY
OPPOSED TO DISCRIMINATORY RE-REGULATION OF COMMON CARRIER
TRUCKING INDUSTRY IN QUISE OF LICENSING AND SAFETY INSPECTIONS.
WE AREN'T NECESSARILY OPPOSED TO HAVING TRUCK INSPECTION AND
LICENSING REGULATIONS IF THEY APPLY TO ALL COMMERCIAL TRUCKS.
WE DO OPPOSE NO MATTER TIME AND EXPENSE OF THESE INSPECTIONS IF THEY ARE
AIMED ONLY AT THE SAFEST EQUIPMENT; NAMELY, THE COMMON
CARRIER. THE RESULT OF SCS-CSHB 133 IS THAT, IN THE NAME OF SAFETY,
ONLY THE SAFEST TRUCKS ARE INCLUDED IN INSPECTION AND LICENSING
PROGRAM. CONTRACTORS, PRIVATE CARRIERS, FARMERS, GRAVEL TRUCKERS,
ETC., ARE EXCLUDED FROM PROPOSED BILL EVEN THOUGH THEY CONSTITUTE
A GROUP WITH A MUCH BETTER SAFETY RECORD THAN FOR-HIRE TRUCKERS.
IT WOULD BE ABSOLUTELY NO GOOD TO SUBJECT FOR-HIRE TRUCKERS TO

PAGE 2

THE HASSLE AND EXPENSE OF INSPECTIONS WHILE AT SAME TIME EXCLUDING
THE WORST OFFENDERS WHO ARE HAVING THE MOST ACCIDENTS. THIS BILL IS
EQUIVALENT TO PASSING HUNTING LAWS WHICH APPLY TO ONLY NON-HUNTERS.
WE TRUST THAT YOU WILL EITHER KILL SOS-CSHB 133 OR HAVE IT APPLY
EQUALLY TO ALL TRUCKS.

SINCERELY YOURS,

JIM JARLEN, PRESIDENT
LYNDEN INCORPORATED

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/29/85

Date FEBRUARY 20, 1985

Mr. President

The Committee on TRANSPORTATION considered SB 103

providing authority for the Department of Public Safety to regulate safety of motor carrier and air carrier operation; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 103 (TRANSPORTATION)
- new title
- same title and recommends DO PASS
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

Paul A. Griffin

MEMBERS HAVING
OTHER RECOMMENDATIONS

John F. ... No Rec

[Signature]

 Chairman
DO PASS

 Chairman recommendation

Alaska State Legislature

SENATOR
JOHN B. "JACK" COGHILL
Chairman

Senator Jan Faiks—Vice Chairman
Senator Mitch Abood
Senator Paul Fischer
Senator Joe Josephson



POUCHY
JUNEAU, ALASKA 99811
(907) 465-4921

Senate Committee on Transportation

LETTER OF INTENT

To Accompany CSSB 103 (Trans)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine 1.) the effects of deregulation on air transportation service to the bush, and what measures, if any, the Legislature ought to address to ensure a minimally acceptable level of service to those areas of the state; 2.) the effects of early phase-out of the 406 Essential Air Service subsidies by the federal government on air service to rural Alaska; 3.) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program; and 4.) the efficiency and effectiveness with which the Department of Commerce and Economic Development has established a motor vehicle safety inspection program. The results of this study shall be reported to the Second Session of the Fourteenth Alaska Legislature not later than the tenth day after it convenes.

SENATE COMMITTEE ON TRANSPORTATION

A large, stylized handwritten signature in black ink, appearing to read "John B. Coghill".

Senator John B. Coghill, Chairman

SECTIONAL ANALYSIS

FOR

CSSB 103 (Transportation)

Section 1 amends the financial responsibility language of the initiative to include anyone carrying freight "for commercial purposes", and sets minimum insurance levels at \$200,000 for property damage; \$500,000 for bodily injury or death for motor vehicles; and \$300,000 per seat for bodily injury or death for aircraft. The section then changes "enforcement officers" to "department personnel", and allows the department to adopt procedural regulations.

Section 2 adds language to the financial responsibility section to require 30 days notice of cancellation of a policy (but exempts currently-effective policies which may not say this); sets a minimum fine of \$500 for violation of this section; and applies the section to only certain size vehicles and certain kinds of aircraft.

Section 3 establishes a certificate of compliance program for aircraft used in air commerce. A certificate would be renewed annually with a fee of \$50, and would be issued by the department if the applicant showed proof of financial responsibility and compliance with FAA requirements.

The section further requires the certificate to be displayed for boarding passengers to read, requires interstate carriers to obtain the certificate for aircraft used intrastate, and would allow the suspension or revocation of the certificate if the plane was used in commerce before the certificate was obtained. Finally, ATC-authorized carriers are "grandfathered in" until the renewal dates on their insurance policies, in order to spread the paperwork out over the year.

Section 3 then establishes a motor vehicle inspection program in Commerce. Subsection .300 would require two inspections a year, and a vehicle registration could be denied if the inspection has not been done. The commissioner is allowed to adopt regulations to implement the section, and to achieve reciprocity with the other western states.

Subsection .310 exempts U.S. government vehicles.

Subsection .320 describes how official inspection stations will be permitted by the State - if properly equipped, and with a certified inspector on staff. It allows the department to inspect a vehicle or enter an official inspection station to check on the work of an inspector. It allows the department to suspend or revoke a permit, and allows for action by the permit-holder in such case.

Subsection .330 establishes a system for certifying vehicle inspectors, allows for suspension of certification, and a process of

appeal of suspension.

Subsection .340 directs an inspector to issue a certificate of inspection if the vehicle is found to be unsafe, and to keep a record of inspections, auditable by the department.

Subsection .350 prohibits falsely representing to be an inspection station, or issuing certificates of inspection without a permit.

Subsection .360 prohibits the making or use of counterfeit certificates of inspection, or using a certificate of inspection on an unqualified vehicle.

Subsection .370 makes violation of the section a class B misdemeanor.

Subsection .380 provides definitions of "air carrier", "air commerce", "aircraft", "commercial purposes", "department", "freight", and "motor vehicle".

Section 4 provides a later effective date of July 1, 1985 for the requirement in Section 1 that aircraft operators have \$300,000 per seat insurance. This will allow some of those operators to phase in from \$100,000 to the new minimum.

Section 5 adds implementation of the financial responsibility requirements to the duties of the commissioner.

Section 6 provides an immediate effective date.

ANALYSIS OF SB-103

I. Background to SB-103

Public initiative #3 not only abolished the ATC, it also enacted a statute which authorized the Dept. of Public Safety to establish and enforce financial responsibility requirements for public carriers. (See AS 42.32.200 in Text of Initiative) According to the Alaska Constitution, a public initiative can be amended by the Legislature.

Thus, based upon this authority and the ability to amend, the Governor has introduced a bill which not only requires financial responsibility of carriers, but goes further to establish a method of registering the truck and airline companies. The legislative counsel has analyzed SB-103 and opinioned that it does not violate this section of the Constitution. (See Counsel's Opinion) Nevertheless, this bill has been attacked as being contrary to the letter and spirit of the initiative. (See Libertarian Objections)

II. Effect of SB-103

SB-103 has the following features: (references are to sections of bill)

A. Applicability

The law applies to all commercial aircraft and to all commercial vehicles weighing over 5,000 gross tons except for government vehicles, vehicles which transports only mail, newspapers, periodicals, or small packages, school buses, other buses which carry less than sixteen passengers, and farm vehicles. (.195, .197)

B. Financial Responsibility & Identification

The Department of Public Safety (DPS) will establish by regulation the amount of insurance required of each commercial plane or vehicle operator. No insurance can be cancelled without first giving DPS 30 days notice. (amendments to .200)

The Alaska Air Carriers Association (AACA), however, recommends that a minimum of \$250,000 per seat of liability insurance be required of air carriers and that this amount be set by statute. (See Carrier's Opinion)

In addition to insurance, DPS by regulation may require carriers to post security bonds and shall require identification markings on all vehicles and planes. (.205, .210)

Analysis (Original Bill)

C. Registration of Carriers

The Governor claims that these requirements will not, as did the ATC, economically regulate entry into air or motor commerce.

1. Intrastate Motor Carriers

Annual registration will be given to carriers who show proof of insurance, proof of bonding if required, payment of fees, and proof of compliance with applicable safety regulations. Safety compliance will be determined by mandatory inspections conducted every six months by non-uniformed DPS personnel. (.215)

2. Interstate Motor Carriers

Annual registration will be given to interstate carriers who show proof of ICC operating authority, proof of bonding if required, payment of fees, and proof of compliance with applicable state safety regulations. (Proof of insurance is already required for ICC authority.) (.220)

3. Air Carriers

Annual registration will be given to air carriers who show proof of insurance, proof of bonding if required, compliance with state and federal safety regulations. These carriers must also register each aircraft annually and pay an annual aircraft registration fee for each. (.225)

The AACA believes that the Department of Commerce, rather than DPS, would be better suited to handle air carrier registration.

D. Enforcement & Penalties

1. Administrative suspension of carrier's registration

A carrier's registration may be summarily suspended (i.e. before he is afforded a hearing) if he operates his vehicle or plane without required insurance, bonding, or aircraft registration. It may be suspended after a hearing if the carrier has misrepresented his registration application, failed to pay fees, or failed to comply with other regulations. (.240)

2. Judicial enforcement

DPS may issue citations for violations of the law, and the state superior court may render misdemeanor convictions (fine up to \$500) or civil penalties (up to \$1000). The law also provides that vehicles and aircraft used by violators may be seized and forfeited to the state. (.245, .255)

III. Fiscal Implications of Bill

DPS projects that it will cost a total of \$1,633,100 over the next five years to add the six employees and equipment needed for permitting, certification, bonding and insurance. Vehicle safety inspections may require additional funds. Some of the DPS positions and equipment are expected to be transferred from the ATC component so the net cost to the state will not be as high as the fiscal note suggests.

FULL TEXT OF INITIATIVE
Initiative No. 83-02

For an Act entitled: "An Act terminating the Alaska Transportation Commission and repealing transportation laws administered by the commission; requiring persons who carry passengers or freight for hire to hold insurance or other security; and requiring the governor to lobby Congress for the repeal of the federal Jones Act."

BE IT ENACTED BY THE PEOPLE OF THE STATE OF ALASKA:

* Section 1. **STATEMENT OF PURPOSE.** The people of Alaska recognize that

- (1) because of Alaska's great size and distance from markets, Alaskans must have access to efficient low-cost transportation in order for people and goods to move safely inside and outside the state;
- (2) a little-known but powerful state regulatory agency, the Alaska Transportation Commission (ATC), creates motor and air carrier monopolies by legalized price fixing and tariffs, which artificially raises shipping rates and makes consumer goods more expensive for all Alaskans;
- (3) the primary purpose of the ATC is to fix rates, not promote safety, and other government agencies can insure safety standards while allowing persons to contract freely for services;
- (4) abolishing the ATC and its anti-competitive practices will subject air carriers and trucking companies to free market competition, thereby reducing freight rates, improving service, and saving Alaskan consumers millions of dollars each year;
- (5) a federal law, known as the Jones Act, requires that ships bound for Alaska from other American ports must be built and registered in the United States and staffed with American crews, thereby granting such ships an unfair monopoly and protecting them from free market competition, which costs Alaskan consumers millions of dollars each year;
- (6) the Jones Act should be repealed, and the governor should use all appropriate means to persuade Congress to do so.

* Section 2. AS 29.48 is amended by adding a new section to read:

Sec. 29.48.036. REGULATION OF TRANSPORTATION CARRIERS.

Notwithstanding AS 29.48.035(a), a municipality may not regulate an activity regarding transportation of passengers or freight for hire if the regulation conflicts with the regulation of that activity by the Alaska Transportation Commission as the regulation existed on April 1, 1983 under former AS 02.05, AS 42.07, or AS 42.10.

* Section 3. AS 42.30 is amended by adding a new section to read:

ARTICLE 5. RESPONSIBILITIES OF MOTOR AND AIR CARRIERS.

Sec. 42.30.200. FINANCIAL RESPONSIBILITY.

(a) A person who carries passengers or freight for hire intrastate shall procure and maintain security in an amount determined by the Department of Public Safety as necessary for the reasonable protection of the public against damages or injury caused by the person.

(b) Evidence of security required under (a) of this section shall be filed with the department and must be

- (1) a policy or certificate of insurance issued by an insurer acceptable to the department; or
- (2) a bond of a surety company licensed to write surety bonds in the state; or
- (3) evidence accepted by the department, showing ability to self-insure; or
- (4) other security approved by the department.

(c) The department may authorize enforcement officers to enforce this section.

* Section 4. AS 44.19 is amended by adding a new section to article 1 to read:

Sec. 44.19.035. JONES ACT REPEAL. The governor shall use best efforts and all appropriate means to persuade the United States Congress to repeal 46 U.S.C. secs. 861, et seq., known as the Jones Act. Until that Act is repealed, the governor shall publish an annual report documenting the harmful effects of the Act on Alaska commerce, and progress made towards its repeal. The report shall be submitted to the legislature no later than its convening each year.

* Section 5. If any provision of this Act is held invalid, the remaining provisions of this Act are severable and remain in effect.

* Section 6. AS 02.05.; AS 28.10.411(b); AS 39.25.120(c)(7); AS 39.50.200(b)(30), AS 42.07; AS 42.10; and AS 44.66.010(a)(2) are repealed.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 103
 Title: An Act . . . to regulate safety of motor carriers . . .
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
 Program Category Affected: Public Safety
 BRU, Program or Subprogram(s) Affected: _____
 Division of Measurement Standards

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|--------------|--------------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| 100 PERSONAL SERVICES | 128.5 | 338.5 | | | | |
| 200 TRAVEL | 10.0 | 30.0 | | | | |
| 300 CONTRACTUAL | 55.0 | 40.8 | | | | |
| 400 SUPPLIES | 2.5 | 3.5 | | | | |
| 500 EQUIPMENT | 15.0 | 8.0 | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS | | | | | | |
| 800 MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 211.0 | 420.8 | | | | |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|--|--|--|--|--|--|
| REVENUE | | | | | | |
|---------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--------------|--------------|--|--|--|--|
| GENERAL FUND | 211.0 | 420.8 | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | 211.0 | 420.8 | | | | |

POSITIONS:

| | | | | | | |
|-----------|---|---|--|--|--|--|
| FULL-TIME | 7 | 7 | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Joseph L. Swanson, Director Phone: 345-7750
 Division: Measurement Standards Date: 2/17/85
 Approved by Commissioner: Loren H. Lounsbury Date: 2/19/85
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

SB 103
ANALYSIS

ASSUMPTIONS

This analysis was prepared with the understanding that the intent of the bill was to establish regulations and procedures to:

1. Administer the financial responsibility provisions of AS 42.30.200 - 42.30.225.
2. Administer the motor vehicle safety inspection program to be performed by private industry.

PROGRAM SUMMARY

1. Positions

New Positions: 1 Administrative Officer I
 2 Administrative Assistants I
 3 Clerk Typists III

Existing Positions: Convert 5 existing seasonal weigh station operators to permanent full-time employees.

2. Other expenditures

Travel: Funds were included to provide for travel for remote locations to verify adherence to the provisions of AS 42.30 and to participate in the annual Commercial Vehicle Safety Alliance (CVSA) conference.

Contractual Services: The listed funds are required to cover the costs for communications, printing forms, certificates of compliance, certificates of inspection, permits to operate, inspection certifications, and regulations and procedures; maintenance of agency equipment, vehicle costs, and equipment rental.

Commodities: Specified costs are for operating supplies.

Equipment: Costs are for the acquisition of computer terminals and replacement of existing equipment.

3. The funding projections were based upon the assumption that the following equipment be transferred from the Alaska Transportation Commission:

- Wang word/data processing system with associated work stations and printer.
- telex/telecopier equipment
- typewriters
- file cabinets
- book cases
- vehicles
- desks and chairs
- copy machine

It is essential that this equipment be transferred in order for the program to function effectively for the above stated costs.

FY '85

| | | | | | | | | | | |
|-----|---|--------------------------|--------------|------------|--------------------------|------------------------|-------------------------------|------|---------|-------|
| 1. | POSITION TITLE ADMINISTRATIVE OFFICER I | | | | RANGE/STEP 17A | DAGG. UNIT S | PAGE/LINE | COV. | APPROV. | DISJ. |
| 2. | TITLE OF POSITION PFT | STAFF MONTHS 3 | RP NUMBER | PCN NUMBER | DRU PRIORITY | LOCATION EBA | ELECTION DISTRICT 7 | LEG. | | |
| 3. | CONTINUATION LEVEL | | | | ADDITION | | XX | | | |
| 4. | Type of Expenditure | | | | Amount | | | | | |
| | PERSONAL SERVICES | | | | | | | | | |
| 5. | Salary | | 8,439 | | | | | | | |
| 6. | Benefits | | 985 | | | | | | | |
| 7. | Supplemental Benefits | | 517 | | | | | | | |
| 8. | Fixed Benefits | | 1,052 | | | | | | | |
| 9. | TOTAL PERSONAL SERVICES | | | 01 | | 11.0 | | | | |
| 10. | Travel | | | 02 | | 10.0 | | | | |
| 11. | Contractual | | | 03 | | 55.0 | | | | |
| 12. | Commodities | | | 04 | | 2.5 | | | | |
| 13. | Equipment | | | 05 | | 15.0 | | | | |
| 14. | Other | | | | | | | | | |
| 15. | TOTAL COST | | | | | 93.5 | | | | |
| | RECEIPT CODE | FUNDING SOURCE | | | | | | | | |
| 16. | | Federal Receipts 1002 | | | | | | | | |
| 17. | | C.F. Hatch 1003 | | | | | | | | |
| 18. | | General Funds 1004 | | | | | | | | |
| 19. | | I-A Receipts 1005 | | | | 93.5 | | | | |
| 20. | | Program Receipts 1028 | | | | | | | | |
| 21. | | Other | | | | | | | | |

JUSTIFICATION

This position will be responsible for supervising the administrative center of the division which will include the new statewide financial responsibility and safety programs and incorporate the existing permit program for cross-utilization of personnel.

The responsibilities will include drafting recommended procedures, monitoring program activities, analyzing results, developing corrective procedures, and reporting results to the agency head.

The position will be required to assist in the development of the regulations drafted to administer the programs and will supervise their implementation. The implementation will entail establishing and maintaining cooperative working relationship with the regulated industries, other governmental agencies, and our department. The position will also be responsible for developing and maintaining the information necessary to evaluate the results of the programs.

FOR BSM USE ONLY

KEY NUMBER

AGENCY Commerce & Economic Development

PROGRAM _____

DRU _____

COMPONENT _____

FY 86

Page _____ of _____

Revised Date _____

REQUEST FOR
NEW POSITION

FY '85

| | | | | | | | | | |
|--------------------------------------|--|-----------------------|-----------|---|-----------------|-----------------|-------------------|---------|-------|
| 1. | POSITION TITLE ADMINISTRATIVE ASSISTANT I | | | RANGE/STEP 12A | BARG. UNIT G | PAGE/LINE | CON. | APPROV. | DISAP |
| 2. | TITLE OF POSITION PFT | STAFF MONTHS 6 | RP NUMBER | PCN NUMBER | DRU PRIORITY | LOCATION EBA | ELECTION DISTRICT | LEG. | |
| 3. | CONTINUATION LEVEL | | | ADDITION | XX | JUSTIFICATION | | | |
| 4. | TYPE OF EXPENDITURE | | | These two positions will function as the working supervisors of the financial responsibility and motor vehicle safety programs. As such, they will ensure adherence to established procedures and will be responsible for monitoring the results produced and collect data and prepare reports for management's use. They will be required to be aware of industry needs and recommend improved procedures to achieve the stated goals and objectives in an efficient and cost effective manner. As the working supervisors, they will be the initial contact person for the regulated industries when problems arise. A great deal of judgment and tact will have to be exercised to achieve the desired results with minimum disruption of the effected agencies. | | | | | |
| 5. | PERSONNEL SERVICES | | 1 2 | | 3 | | | | |
| 5. | Salary | 11,838 | | | | | | | |
| 6. | Benefits | 1,740 | | | | | | | |
| 7. | Supplemental Benefits | 726 | | | | | | | |
| 8. | Fringe Benefits | 1,476 | | | | | | | |
| 9. | TOTAL PERSONNEL SERVICES | 01 | 15.8 | | | | | | |
| 10. | Travel | 02 | -0- | | | | | | |
| 11. | Contractual | 03 | -0- | | | | | | |
| 12. | Commodities | 04 | -0- | | | | | | |
| 13. | Equipment | 05 | -0- | | | | | | |
| 14. | Other | | 1 | | | | | | |
| 15. | TOTAL COST | | 15.8 | | | | | | |
| 16. | RECEIPT CODE | FUNDING SOURCE | | | | | | | |
| 17. | | Federal Receipts 1002 | | | | | | | |
| 18. | | C.F. Hatch 1003 | | | | | | | |
| 19. | | General Funds 1004 | | 15.8 | | | | | |
| 20. | | I-A Receipts 1005 | | | | | | | |
| 21. | | Program Receipts 1028 | | | | | | | |
| 21. | | Other | | | | | | | |
| FOR BSM USE ONLY KEY NUMBER _____ | | | | | | | | | |

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
 PROGRAM _____
 DRU _____
 COMPONENT _____

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FY '85

| | | | | | | | | | | |
|------------------|------------------------------------|--------------------|-----------|------------|--|-----------------|-------------------|------|---------|-------|
| 1. | POSITION TITLE CLERK TYPIST III | | | RANGE/STEP | BARC UNIT BA | G | PAGE/LINE | COV. | APPROV. | DISAP |
| 2. | TYPE OF POSITION PFT | STAFF MONTHS 12 | RP NUMBER | PCH NUMBER | DRU PRIORITY | LOCATION EBA | ELECTION DISTRICT | LEG. | | |
| 3. | CONTINUATION LEVEL | | | ADDITION | JUSTIFICATION | | | | | |
| 4. | Title of Position | | | Amount | <p>These four positions will be responsible for reviewing and processing the various documents required to administer the financial responsibility and motor vehicle safety programs. The duties will include responding to requests for program requirements information, applications, updating agency records to reflect current status of regulated agencies, and processing program information reports. These personnel will be assisting industry, wherever necessary in complying with the provisions of appropriate statutes and regulations.</p> | | | | | |
| 5. | PERSONAL SERVICES | | | | | | | | | |
| 5. | Salary | | 18,636 | | | | | | | |
| 6. | Benefits | | 3,321 | | | | | | | |
| 7. | Supplemental Benefits | | 1,142 | | | | | | | |
| 8. | Fringe Benefits | | 2,324 | | | | | | | |
| 9. | TOTAL PERSONAL SERVICES | 01 | | 25.4 | | | | | | |
| 10. | Travel | 02 | | -0- | | | | | | |
| 11. | Contractual | 03 | | -0- | | | | | | |
| 12. | Commodities | 04 | | -0- | | | | | | |
| 13. | Equipment | 05 | | -0- | | | | | | |
| 14. | Other | | | | | | | | | |
| 15. | TOTAL COST | | | 25.4 | | | | | | |
| 16. | RECEIPT CODE | FUNDING SOURCE | | | | | | | | |
| 17. | | Federal Receipts | 1002 | | | | | | | |
| 18. | | C.F. Hatch | 1003 | | | | | | | |
| 19. | | General Funds | 1004 | 25.4 | | | | | | |
| 20. | | I-A Receipts | 1005 | | | | | | | |
| 21. | | Program Receipts | 1028 | | | | | | | |
| | | Other | | | | | | | | |
| FOR BSM USE ONLY | | | | | | | | | | |
| KEY NUMBER | | | | | | | | | | |

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
 PROGRAM _____
 DRU _____
 COMPONENT _____

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 Revised Date _____

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FY '85

| 1. | POSITION TITLE WEIGH STATION OPERATOR I | | | | RANGE/STEP 12 | ORG. UNIT G | PAGE/LINE | COY. | APPROV. | DISAP. | | | | | | | | | | | | |
|--------------------------------------|--|------------------|-----------|------------|------------------|----------------|---|------|---------|--------|-----|----------|--------|-----------|--------|-----------|--------|----------|--------|-----------|---------|-----------|
| 2. | TITLE OF POSITION PFT | STATE MONTHS | RP NUMBER | PCN NUMBER | ORG PRIORITY | LOCATION | ELECTION DISTRICT | LEG. | | | | | | | | | | | | | | |
| 3. | CONTINUATION LEVEL | | | | ADDITION | | JUSTIFICATION | | | | | | | | | | | | | | | |
| 4. | Type of Continuation | | | | Amount | | <p>This proposal entails changing the status of five existing positions from permanent part-time (seasonal) to permanent full-time.</p> <p>These seasonal positions are presently authorized for an average of four months each to operate the fixed weigh stations during the spring and summer peak truck traffic periods.</p> <p>We recommend changing the status of the positions to PFT in FY '85, but not funding the positions until FY '86. This will allow an appropriate amount of time to establish the safety program and initiate the procedures that will generate the workload for these positions.</p> <p>The inspectors will be located as follows:</p> <table border="1"> <thead> <tr> <th>PCN</th> <th>LOCATION</th> </tr> </thead> <tbody> <tr> <td>085074</td> <td>Fairbanks</td> </tr> <tr> <td>085078</td> <td>Fairbanks</td> </tr> <tr> <td>085079</td> <td>Sterling</td> </tr> <tr> <td>085080</td> <td>Anchorage</td> </tr> <tr> <td>08-5088</td> <td>Anchorage</td> </tr> </tbody> </table> <p>The inspectors will continue to operate the fixed weigh stations during peak traffic periods and will be used to monitor the motor vehicle safety program through field verification of inspection stations and inspection personnel.</p> | | | | PCN | LOCATION | 085074 | Fairbanks | 085078 | Fairbanks | 085079 | Sterling | 085080 | Anchorage | 08-5088 | Anchorage |
| PCN | LOCATION | | | | | | | | | | | | | | | | | | | | | |
| 085074 | Fairbanks | | | | | | | | | | | | | | | | | | | | | |
| 085078 | Fairbanks | | | | | | | | | | | | | | | | | | | | | |
| 085079 | Sterling | | | | | | | | | | | | | | | | | | | | | |
| 085080 | Anchorage | | | | | | | | | | | | | | | | | | | | | |
| 08-5088 | Anchorage | | | | | | | | | | | | | | | | | | | | | |
| 5. | PERSONAL SERVICES | | | | | | | | | | | | | | | | | | | | | |
| 5. | Salary | | 1 | 2 | | | | | | | | | | | | | | | | | | |
| 6. | Benefits | | | | | | | | | | | | | | | | | | | | | |
| 7. | Supplemental Benefits | | | | | | | | | | | | | | | | | | | | | |
| 8. | Fringe Benefits | | | | | | | | | | | | | | | | | | | | | |
| 9. | TOTAL PERSONAL SERVICES | | 01 | | | | | | | | | | | -0- | | | | | | | | |
| 10. | Travel | | 02 | | | | | | | | | | | -0- | | | | | | | | |
| 11. | Contractual | | 03 | | | | | | | | | | | -0- | | | | | | | | |
| 12. | Commodities | | 04 | | | | | | | -0- | | | | | | | | | | | | |
| 13. | Equipment | | 05 | | | | | | | -0- | | | | | | | | | | | | |
| 14. | Other | | | | | | | | | -0- | | | | | | | | | | | | |
| 15. | TOTAL COST | | | | | | | | | -0- | | | | | | | | | | | | |
| 16. | RECEIPT CODE | FUNDING SOURCE | | | | | | | | | | | | | | | | | | | | |
| 17. | | Federal Receipts | 1002 | | | | | | | | | | | | | | | | | | | |
| 18. | | G.F. Hatch | 1003 | | | | | | | | | | | | | | | | | | | |
| 19. | | General Funds | 1004 | | | | | | | 0- | | | | | | | | | | | | |
| 20. | | I-A Receipts | 1005 | | | | | | | | | | | | | | | | | | | |
| 21. | | Program Receipts | 1026 | | | | | | | | | | | | | | | | | | | |
| 21. | | Other | | | | | | | | | | | | | | | | | | | | |
| FOR DSM USE ONLY KEY NUMBER _____ | | | | | | | | | | | | | | | | | | | | | | |

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
 PROGRAM _____
 DRU _____
 COMPONENT _____

Page _____ of _____
 Revised Date _____

FY 86

| | | | | | | | |
|-----|---|---------------------------|-----------------------|--------------|--|------------------------|-------------------|
| 1. | POSITION TITLE ADMINISTRATIVE OFFICER I | RANGE/STEP 17A | ORG. UNIT S | PAGE/LINE | COY. | APPROV. | DISAPP. |
| 2. | TITLE OF POSITION PFT | STATE MONTHS 12 | RP NUMBER | PCN NUMBER | BRD PRIORITY | LOCATION EBA | ELECTION DISTRICT |
| 3. | CONTINUATION LEVEL AA | | ADDITION | | JUSTIFICATION | | |
| 4. | Title of Employment | | AMOUNT | | <p>This position will be responsible for supervising the administrative center of the division which will include the new statewide financial responsibility and safety programs and incorporate the existing permit program for cross-utilization of personnel.</p> <p>The responsibilities will include drafting recommended procedures, monitoring program activities, analyzing results, developing corrective procedures, and reporting results to the agency head.</p> <p>The position will be required to assist in the development of the regulations drafted to administer the programs and will supervise their implementation. The implementation will entail establishing and maintaining cooperative working relationship with the regulated industries, other governmental agencies, and our department. The position will also be responsible for developing and maintaining the information necessary to evaluate the results of the programs.</p> | | |
| 5. | PERSONAL SERVICES | | | | | | |
| 5. | Salary | 35,076 | | | | | |
| 6. | Benefits | 4,374 | | | | | |
| 7. | Supplemental Benefits | 2,150 | | | | | |
| 8. | Fired Benefits | 3,980 | | | | | |
| 9. | TOTAL PERSONAL SERVICES | 01 | | 45.6 | | | |
| 10. | Travel | 02 | | 30.0 | | | |
| 11. | Contractual | 03 | | 40.8 | | | |
| 12. | Commodities | 04 | | 3.5 | | | |
| 13. | Equipment | 05 | | 8.0 | | | |
| 14. | Other | | | | | | |
| 15. | TOTAL COST | | | 127.8 | | | |
| 16. | RECEIPT CODE | FUNDING SOURCE | | | | | |
| 17. | | Federal Receipts 1002 | | | | | |
| 18. | | G.F. Match 1003 | | | | | |
| 19. | | General Funds 1004 | | 127.8 | | | |
| 20. | | I-A Receipts 1005 | | | | | |
| 21. | | Program Receipts 1028 | | | | | |
| | | Other | | | | | |

FOR USE ONLY
KEY NUMBER _____

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development

PROGRAM _____

BRU _____

COMPONENT _____

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Revised Date _____

FY 86

| | | | | | | | |
|------------------|---|-----------------------|----------------|------------|--------------|-----------------|------------------------|
| 1. | POSITION TITLE ADMINISTRATIVE ASSISTANT I | RANGE/STEP 12A | ORG. UNIT G | PAGE/LINE | COV. | APPROV. | DISA/P |
| 2. | TITLE OF POSITION PFT | STAFF MONTHS 24 | RP NUMBER | PCN NUMBER | ORG PRIORITY | LOCATION EBA | ELECTION DISTRICT 7 |
| 3. | CONTINGENT LEVEL XX | | ADDITION | | | | |
| 4. | TITLE OF EXPENDITURE | | | AMOUNT | | | |
| | 1 | | 2 | 3 | | | |
| | PERSONAL SERVICES | | | | | | |
| 5. | Salary | 49,728 | | | | | |
| 6. | Benefits | 7,035 | | | | | |
| 7. | Supplemental Benefits | 3,048 | | | | | |
| 8. | Fixed Benefits | 6,201 | | | | | |
| 9. | TOTAL PERSONAL SERVICES | 01 | 66.0 | | | | |
| 10. | Travel | 02 | -0- | | | | |
| 11. | Contractual | 03 | -0- | | | | |
| 12. | Commodities | 04 | -0- | | | | |
| 13. | Equipment | 05 | -0- | | | | |
| 14. | Other | | | | | | |
| 15. | TOTAL COST | 66.0 | | | | | |
| FUNDING SOURCE | | | | | | | |
| 16. | RECEIPT CODE | Federal Receipts 1002 | | | | | |
| 17. | | C.F. Match 1003 | | | | | |
| 18. | | General Funds 1004 | | 66.0 | | | |
| 19. | | I-A Receipts 1005 | | | | | |
| 20. | | Program Receipts 1028 | | | | | |
| 21. | | Other | | | | | |
| FOR BSM USE ONLY | | | | | | | |
| KEY NUMBER _____ | | | | | | | |

JUSTIFICATION
 These two positions will function as the working supervisors of the financial responsibility and motor vehicle safety programs. As such, they will ensure adherence to established procedures and will be responsible for monitoring the results produced and collect data and prepare reports for management's use. They will be required to be aware of industry needs and recommend improved procedures to achieve the stated goals and objectives in an efficient and cost effective manner. As the working supervisors, they will be the initial contact person for the regulated industries when problems arise. A great deal of judgment and tact will have to be exercised to achieve the desired results with minimum disruption of the effected agencies.

| | | |
|-------------------------------------|---|---|
| REQUEST FOR NEW POSITION | AGENCY <u>Commerce & Economic Development</u> | <div style="border: 1px solid black; padding: 5px; display: inline-block;"> FY 86 </div> |
| | PROGRAM _____ | |
| | BRU _____ | |
| | COMPONENT _____ | |
| | Page _____ of _____ | |
| | Revised Date _____ | |

FY '86

| | | | | | | | | | | |
|--------------------------------------|---|-----------------------|-----------|------------|---|------------------|------------------------|------|---------|--------|
| 1. | POSITION TITLE CLERK TYPIST III | | | | RANGE/STEP | DARG. UNIT 8A | G PAGE/LINE | COY. | APPROV. | DISAP. |
| 2. | TYPE OF POSITION PFT | STAFF MONTHS 48 | RP NUMBER | PCN NUMBER | ORG PRIORITY | LOCATION EBA | ELECTION DISTRICT 7 | CCG. | | |
| 3. | CONTINGENT LEVEL <input checked="" type="checkbox"/> ADDITION | | | | JUSTIFICATION | | | | | |
| 4. | Type of Compensation | | | | These four positions will be responsible for reviewing and processing the various documents required to administer the financial responsibility and motor vehicle safety programs. The duties will include responding to requests for program requirements information, applications, updating agency records to reflect current status of regulated agencies, and processing program information reports. These personnel will be assisting industry, wherever necessary in complying with the provisions of appropriate statutes and regulations. | | | | | |
| 5. | PERSONAL SERVICES | | 1 | 2 | 3 | | | | | |
| 5. | Salary | | 78,288 | | | | | | | |
| 6. | Benefits | | 13,402 | | | | | | | |
| 7. | Supplemental Benefits | | 4,799 | | | | | | | |
| 8. | Fringe Benefits | | 9,763 | | | | | | | |
| 9. | TOTAL PERSONAL SERVICES | | 01 | | 106.34 | | | | | |
| 10. | Travel | | 02 | | -0- | | | | | |
| 11. | Contractual | | 03 | | -0- | | | | | |
| 12. | Commodities | | 04 | | -0- | | | | | |
| 13. | Equipment | | 05 | | -0- | | | | | |
| 14. | Other | | | | | | | | | |
| 15. | Total Cost | | | | 106.3 | | | | | |
| 16. | RECEIPT CODE | FUNDING SOURCE | | | | | | | | |
| 17. | | Federal receipts 1002 | | | | | | | | |
| 18. | | C.F. Hatch 1003 | | | | | | | | |
| 19. | | General funds 1004 | | 106.3 | | | | | | |
| 20. | | I-A Receipts 1005 | | | | | | | | |
| 21. | | Program Receipts 1028 | | | | | | | | |
| 21. | | Other | | | | | | | | |
| FOR BSM USE ONLY KEY NUMBER _____ | | | | | | | | | | |

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
 PROGRAM _____
 DRU _____
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 Revised Date _____

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| | | | |
|-------------------|--|--------------------|------------|
| 1. | POSITION TITLE WEIGH STATION OPERATOR I | | |
| 2. | TYPE OF POSITION PFT | STAFF MONTHS 40 | RP NUMBER |
| 3. | CONTINUATION LEVEL XX | | ADDITION |
| 4. | TITLE OF EXISTING POSITION | | ALLOCATION |
| | 1 | 2 | 3 |
| PERSONAL SERVICES | | | |
| 5. | Salary | 90,699 | |
| 6. | Benefits | 11,547 | |
| 7. | Supplemental Benefits | 5,560 | |
| 8. | Fixed Benefits | 11,722 | |
| 9. | TOTAL PERSONAL SERVICES | 01 | 119.5 |
| 10. | Travel | 02 | -0- |
| 11. | Contractual | 03 | -0- |
| 12. | Commodities | 04 | -0- |
| 13. | Equipment | 05 | -0- |
| 14. | Other | | |
| 15. | TOTAL COST | | 119.5 |

| RECEIPT CODE | FUNDING SOURCE | |
|--------------|-----------------------|-------|
| 16. | Federal Receipts 1002 | |
| 17. | G.F. Match 1003 | |
| 18. | General funds 1004 | 110.5 |
| 19. | I-A Receipts 1005 | |
| 20. | Program Receipts 1028 | |
| 21. | Other | |

FOR USE ONLY
KEY NUMBER _____

| | | | | | |
|------------------|----------------|-------------------|------|---------|-------|
| RANGE/STEP 12 | ORG. UNIT 6 | PAGE/LINE | CON. | APPROV. | DISM. |
| ORG PRIORITY | LOCATION | ELECTION DISTRICT | LEG. | | |

JUSTIFICATION
 This proposal entails changing the status of five existing positions from permanent part-time (seasonal) to permanent full-time.
 These seasonal positions are presently authorized for an average of four months each to operate the fixed weigh stations during the spring and summer peak truck traffic periods.
 We recommend changing the status of the positions to PFT in FY '85, but not funding the positions until FY '86. This will allow an appropriate amount of time to establish the safety program and initiate the procedures that will generate the workload for these positions.

The inspectors will be located as follows:

| PCN | LOCATION |
|---------|-----------|
| 085074 | Fairbanks |
| 085078 | Fairbanks |
| 085079 | Sterling |
| 085080 | Anchorage |
| 08-5088 | Anchorage |

The inspectors will continue to operate the fixed weigh stations during peak traffic periods and will be used to monitor the motor vehicle safety program through field verification of inspection stations and inspection personnel.

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
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STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB103
 Title: "...Public Safety to reg. safety of commerical vehicles..."
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: Public Protection
 BRU, Program or Subprogram(s) Affected: Division of Motor Vehicles - Commercial Vehicle Safety

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 83 | FY 84 | FY 85 | FY 86 | FY 87 | FY 88 |
|------------------------|-------|--------------|--------------|--------------|--------------|--------------|
| OPERATING | | | | | | |
| 100 PERSONAL SERVICES | | 250.0 | 250.0 | 250.0 | 250.0 | 250.0 |
| 200 TRAVEL | | 3.0 | 3.2 | 3.4 | 3.5 | 3.8 |
| 300 CONTRACTUAL | | 66.0 | 53.5 | 50.5 | 59.1 | 62.1 |
| 400 SUPPLIES | | 7.0 | 7.4 | 7.8 | 8.2 | 8.5 |
| 500 EQUIPMENT | | 30.0 | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS | | | | | | |
| 800 MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | 356.0 | 314.2 | 317.5 | 320.9 | 324.5 |

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | | | |
|--|--|--|--|--|--|--|

| | | | | | | |
|--|--|--|--|--|--|--|
| | | | | | | |
|--|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

| | | | | | |
|---------------|--------------|--------------|--------------|--------------|--------------|
| GENERAL FUND | 356.0 | 314.2 | 317.5 | 320.9 | 324.5 |
| FEDERAL FUNDS | | | | | |
| OTHER | | | | | |
| TOTAL | 356.0 | 314.2 | 317.5 | 320.9 | 324.5 |

POSITIONS:

| | | | | | |
|-----------|-----|-----|-----|-----|-----|
| | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| PART-TIME | | | | | |
| TEMPORARY | | | | | |

ANALYSIS: Attach a separate page if necessary

Prepared By: Marcia Lynn McKenzie
 Division: Administrative Services

Phone: 465-4349
 Date: 1/22/85

Approved by Commissioner: Robert J. Sundberg
 Agency: Public Safety

Date: 1/28/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management
- Impacted Agency(ies)

FISCAL NOTE

7/1/84

COST ANALYSIS

The following costs are for administration of permitting, certification, bonding and insurance. These costs are in addition to the positions and funding included in the Governor's budget which are for vehicle safety inspections.

Personal Services \$250.0

| | | |
|---|--|----------|
| 1 | Administrative Support Center Supervisor | Range 14 |
| 4 | Administrative Support Technicians | Range 12 |
| 1 | Accounting Technician II | Range 14 |

It is anticipated that the positions, located in Anchorage, will be transferred from the ATC component, along with needed office equipment (desks, chairs, etc.). Minimal overtime and negotiated one-time compensatory payments are included.

Travel 3.0

Contractual Services 66.0

| | |
|--|--------|
| Telephone, postage, etc. | \$25.0 |
| Printing of applications, forms, advertisements, etc. | 8.0 |
| Space Lease | 15.0 |
| Maintenance on data/word processing equipment | 1.3 |
| Copier costs | 3.0 |
| Professional fees (Dept. of Law) | 12.0 |
| Risk Management | 1.7 |

Supplies and Materials 7.0

Office and library supplies

Equipment 30.0

Data/word processors

TOTAL \$356.0

For FY 87, space lease costs are transferred to the Department of Administration. A five percent annual inflation adjustment is applied beginning in FY 87.

05-12-04-06-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

17:51

12/21/84

AGENCY: DEPARTMENT OF PUBLIC SAFETY
 CATEGORY: PUBLIC PROTECTION

PROGRAM: MOTOR VEHICLES
 SUB-PROGRAM: COMMERCIAL VEHICLE SAFETY

| EXPENDITURES & FUNDING | FISCAL YEAR 1985 | | | | | | | | | | | | |
|---------------------------|------------------|------------------|------------------|------------------|-----------------|-------------------|-----------------|------------------|---------------|----------------|---------------|---------------|-----------------|
| | (18) FY83 ACT | (01) FY84 ACT | (02) FY85 ATH | (03) ADJ BASE | (04) FORMULA | (05) INCREMENT | (06) REQUEST | (08) GOVERNOR | (09) HOUSE | (10) SENATE | (11) S. C. | (12) BILLS | (13) LEG REC |
| 01 PERS. SERV. | | | | 536.4 | | | 536.4 | 536.4 | | | | | |
| 02 TRAVEL | | | | 25.0 | | | 25.0 | 25.0 | | | | | |
| 03 CONTRACTUAL | | | | 100.0 | | | 100.0 | 100.0 | | | | | |
| 04 COMMODITIES | | | | 6.5 | | | 6.5 | 6.5 | | | | | |
| 05 EQUIPMENT | | | | | | | | | | | | | |
| 06 LANDS/BLDGS | | | | | | | | | | | | | |
| 07 GRANTS, CLMS | | | | | | | | | | | | | |
| 08 MISC. | | | | | | | | | | | | | |
| 14 TOTAL EXPEND | | | | 667.9 | | | 667.9 | 667.9 | | | | | |
| 09 I-A TRANSFER | | | | 46.5 | | | 46.5 | 46.5 | | | | | |
| 1004 GEN FUND | | | | 667.9 | | | 667.9 | 667.9 | | | | | |
| 15 FULL TIME | | | | 11.0 | | | 11.0 | 11.0 | | | | | |
| 16 PART TIME | | | | | | | | | | | | | |
| 17 TEMPORARY | | | | | | | | | | | | | |
| 18 STAFF MONTHS | | | | 132.0 | | | 132.0 | 132.0 | | | | | |

06-12-04-06-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

17:51

12/21/84

AGENCY: DEPARTMENT OF PUBLIC SAFETY
CATEGORY: PUBLIC PROTECTION

PROGRAM: MOTOR VEHICLES
SUB-PROGRAM: COMMERCIAL VEHICLE SAFETY

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

| OBJECT GROUP | VARIATION | | DESCRIPTION: GOVERNOR (\$667.9) VERSUS FY85 ATH (\$0.0) |
|----------------|-----------|--------|--|
| 01 PERS. SERV. | 536.4 | 100.0% | TRANSFER FROM THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT (DCED), ALASKA TRANSPORTATION COMMISSION (ATC), FOR THE COMMERCIAL VEHICLE SAFETY PROGRAM 536.4. |
| 02 TRAVEL | 25.0 | 100.0% | TRANSFER FROM DCED, ATC, FOR THE COMMERCIAL VEHICLE SAFETY PROGRAM \$25.0. |
| 03 CONTRACTUAL | 100.0 | 100.0% | TRANSFER FROM DCED, ATC, FOR THE COMMERCIAL VEHICLE SAFETY PROGRAM \$100.0. |
| 04 COMMODITIES | 6.5 | 100.0% | TRANSFER FROM DCED, ATC, FOR THE COMMERCIAL VEHICLE SAFETY PROGRAM \$6.5. |
| ** TOTALS | 667.9 | 100.0% | |

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
BUREAU ALASKA 99511
907 465 1800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 31, 1985

SUBJECT: Senate Bill 103 as amending initiative 83-02
TO: Senator Jack Coghill
FROM: George W. Edwards *JWE*
Legislative Counsel

This is in response to your research request concerning the constitutional implications of Senate Bill 103 as an amendment to initiative 83-02 regarding the termination of the Alaska Transportation Commission.

Article XI, section 6 of the Alaska Constitution states that an initiative passed into law may not be repealed by the legislature for two years. It further states that such an initiative may be amended at any time.

This legislative power to amend has been broadly defined by the Alaska supreme court as a check or balance against the initiative process lest the process otherwise result in the frustration of sound government (see Warren v. Boucher 543 P2d 731 (Alaska, 1975) and Warren v. Thomas 568 P2d 400 (Alaska, 1977)). While the amendment process may not be employed by the legislature to so emasculate an initiative as to effectively repeal it, it may legitimately be used to clarify the law or to effectuate the intent of the electorate.

In order to determine the appropriateness of an amendment to an initiative the language and intent of the initiative and the language and effect of the amendment must be considered. If the amendatory language may be interpreted not to vitiate the intent of the initiative, the court is likely to approve the legislature's right to adopt the language.

Initiative 83-02 was concerned with, among other things, abolishing the ATC for the purpose of eliminating legalized price-fixing and tariffs. It proposed that other government

COUNSEL'S OPINION RE:
SB103 AMENDING INITIATIVE

Senator Jack Coghill
January 31, 1985
Page 2

agencies could insure transportation safety standards and that financial responsibility of commercial carriers should be overseen by the Department of Public Safety. Senate bill 103 does not appear to incorporate any price support or tariff provisions which would conflict with the intent of the initiative. It contains provisions concerning financial responsibility and safety which are consistent with the terms of the initiative. It goes beyond the literal terms of the initiative in requiring both bonds to protect shippers and equipment registration, but these provisions serve a rational purpose and are not in conflict with the apparent intent of the initiative.

In summary, Senate Bill 103 does not appear to violate the constitutional provision concerning the amendment of initiatives.

GWE:csh
c2/199

Testimony prepared for the
Senate Transportation Committee
regarding Senate Bill 103 by
the Alaska Air Carriers Association

February 28, 1985

Mr. Chairman and members of the Senate Transportation Committee, my name is Bob Jacobsen and I am here today on behalf of the Alaska Air Carriers - an association comprised of 115 member air service companies throughout Alaska.

I would like to begin by commending the Committee for its early review of this matter both because it is of great concern to our association and because of the February 28 deadline after which the Alaska Transportation Commission will no longer be in existence.

On Friday, I was present for the testimony of Representative Marrou regarding the intent of people who voted for the initiative which abolished A.T.C. We appreciate Representative Marrou's efforts to remove unnecessary regulatory constraints which impede free competition among air carriers. But it is also important for the Committee to recognize that among the people I know who voted in favor of the initiative, including some members of our organization, did so to express opposition to an overemphasis by A.T.C. on economic regulation and underemphasis on safety and fitness which are and should continue to be a primary concern of government. The only safe conclusion to draw when trying to figure out the intent of the initiative's supporters is that they believe in greater freedom of competition in the transportation industry and what they hope will be lower freight and passenger cost. That is the only common thread which ties the motor carriers, air carriers, and Jones Act (water) carriers together in the initiative.

We feel that it would be a mistake to conclude that Alaskans are no longer concerned with safety or that the initiative standing alone will assure that the transportation industry is as safe as possible. For this reason, we appreciate the efforts of Governor Sheffield in introducing legislation which we feel is necessary to protect public safety.

While we agree with the intent of Senate Bill 103, we do have some suggestions which we think will simplify and improve it.

AK AIR CARRIERS'
OPINION

First, the registration, insurance provisions, and proof of FAA certification, as they apply to the air carriers are similar to the occupational licensing function of the Department of Commerce. We believe the registration of air carriers would be handled by that Department more efficiently and at lower cost than by the Department of Public Safety.

Second, the minimum liability insurance which is currently required by A.T.C. for air carriers is \$100,000 per seat (non-certificated carriers). The minimum liability insurance which must be carried by certificated carriers is \$300,000 per seat. I have been advised by an attorney in Anchorage knowledgeable in this jurisdiction that the average death settlement in 1982 was approximately \$250,000. Rather than allow the minimum liability insurance requirement to be set by regulation, we suggest you consider this and recommend that you establish it by statute.

When the federal government recently deregulated the airline industry, the same issues were addressed as those now before the committee. In the decision to sunset the Civil Aeronautics Board (C.A.B.), it was decided by Congress that the economic regulatory function of the agency would be discontinued, but that oversight of fitness and financial responsibility for certificated carriers be transferred to the federal Department of Transportation. The certification process requires an application, an operations and business plan, and a declaration of previous accidents, consumer complaints, and judgments awarded against the applicant. The application is reviewed and awarded based on fitness to operate, not upon the competitive effects of the business.

Because we recognize that the line between economic regulation and public safety - one key aspect of which is financial responsibility and fitness to operate - is not easy to define with precision; and because we also feel strongly that legislation should be in place February 28 to protect public safety, we do not believe it is possible to tackle this issue without risk of delay beyond that date. Therefore, we strongly urge the Committee to consider an amendment which would require the administration to undertake an interim study which would:

1. Examine the federal certification process for scheduled carriers to determine which aspects are desirable to incorporate in the state registration process in the interest of public safety.
2. Examine the impact of deregulation on rural air service to determine whether measures designed to insure reliability of service are necessary.

The results of this study would be reported back to the next session of the legislature with recommendations.

We also recommend to you that because of some fundamental differences between the air and trucking industries, that you divide the Governor's bill into two separate bills.

Last, Mr. Chairman, we sympathize with your task in reducing state expenditures this year to bring them in line with available revenues. In FY 85, A.T.C. was budgeted at \$1.4 million. We feel that the Governor's bill with the amendments we have suggested could be administered by the Department of Commerce for a much smaller budget.

January 25, 1985

TO: Senator Jack Coghill, Chairman, Senate Transportation Committee
FROM: Andre Marrou, Representative, House Transportation Committee
SUBJECT: Governor's Proposed ^{Bill} to Re-regulate Transportation

Mr. Chairman, at your request, I am submitting this memorandum to try to delineate what appears to be an effort by the Executive Branch to contravene the will of the people as expressed in the November 1984 election. In that election, the people voted to de-regulate transportation and to abolish the Alaska Transportation Commission by a vote of 116,891 to 78,663. This is a vote of approximately 60% to 40%. In fact, substantially more Alaskans voted to de-regulate transportation than voted to elect Governor Sheffield two years before.

Following a 38-page report by the Department of Commerce and Economic Development, in November 1984, after the election, and at least four memoranda by the Attorney General's Office on November 16, 23, & 20 1984 and January 8, 1985, the Governor is considering a bill approximately 16 to 24 pages in length that would re-regulate portions of the statutes that were de-regulated by the people only 2½ months ago.

The initiative repealed portions of 7 sections of Alaska Statutes, including the following 3 in their entirety:

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

In the draft of the Governor's bill which I have seen, portions of AS 42.10 and AS 02.05 are re-written almost verbatim as additions to AS 42.30, Miscellaneous Regulations Governing Public Utilities and Carriers, starting with AS 42.30.195. The following is a compendium comparing the new proposed statutes with the old repealed statutes:

New AS 42.30.195 is almost a word for word combination of old AS 42.10.030 and AS 02.05.040.

New AS 42.30.197 is essentially a verbatim extract of old AS 42.10.020.

New AS 42.30.200 is as required by the initiative, except with a new section (d) added by the Governor, and a change to the language of section (a). These changes substantially increase the scope of the regulation, and further stipulates that the Department shall adopt regulations considerably in excess to that provided by the initiative.

LIBERTARIAN OBJECTIONS
TO AMENDING INITIATIVE

New AS 42.30.205 is essentially a verbatim extract of old AS 42.10.100.

New AS 42.30.210 is a partial re-write of old AS 42.10.113.

New AS 42.30.215 is a re-write of old AS 42.10.135 and AS 42.10.140.

New AS 42.30.220 is, so far as I can tell, a total invention and a new statute, requiring registration of a motor carrier not only with the State of Alaska, but also with the federal Interstate Commerce Commission.

New AS 42.30.225 is a re-write of all or portions of old AS 02.05.075, .080, .090.

New AS 42.30.230 is evidently another new invention and proposed new statute.

New AS 42.30.235 is a re-write with small changes of old AS 42.10.110 and AS 02.05.030.

New AS 42.30.240 is a combination of minor re-writes of old AS 42.10.230 and AS 02.05.100.

New AS 42.30.245 is a virtual verbatim extract of old AS 42.07.171 and AS 42.10.391, with a little thrown in from AS 02.05.210.

Similarly, new AS 42.30.250 is an almost verbatim extract of old AS 42.10.393, with a little from AS 02.05.230. Once again, new AS 42.30.255 is almost verbatim extracted from AS 42.10.394, with a little from AS 02.05.231.

By the same token, new AS 42.30.260 is almost a direct extract of old AS 42.10.395, with a little from AS 02.05.232.

Once again, new AS 42.30.265 is almost directly extracted from old AS 42.10.398, plus some from AS 02.05.233.

The last proposed new statute is new AS 42.30.270, which is extracted essentially verbatim from the old AS 42.10.420 and AS 02.05.250.

As you can see, Mr. Chairman, the proposed Act by the Governor amounts to nothing more or less than a blatant attempt to circumvent the will of the people and re-enact legislation which the people have repealed by a substantial vote less than 3 months ago.

I might also state for the record that Section 6 of Article 11 of the Alaska Constitution provides clearly that "initiated law becomes effective 90 days after certification, is not subject to veto, and may not be repealed by the Legislature within 2 years of its effective date. It may be amended at any time."

This latter "amend" clause has been cited by the Attorney General's Office in one of the aforementioned opinions and was recommended by that office as providing broad latitude for the Alaska Transportation Commission essentially to do what they want.

For example, the Attorney General's memoranda dated November 16, 1984, states, in replying to the Alaska Transportation Commission, "You have asked if you should be using this 90-day period to wind down the ATC's affairs, with the objective of closing up shop by the initiative's effective date. As I previously indicated to you, you should be conducting business as usual, for several reasons."

Again, the Attorney General's office stated, "The Legislature may extend the initiative's effective date, revise the substance of the initiative, or both. Until you get some sense of what action, if any, the Legislature might take in the next session, you cannot depend on your laws becoming void in late February or early March. Finally, even though those laws may, in fact, be repealed 90 days after certification of the election results, they do not necessarily vanish immediately".

As you can see, Mr. Chairman, the Attorney General's office essentially encouraged the Alaska Transportation Commission to continue business as usual and, by and large to ignore the will of the people as expressed in the initiative petition passed in November 1984.

In the Attorney General's memorandum of November 23, 1984, addressed to the Governor's office, are listed repealed statutes that are to be considered for re-enactment:

"These are listed below, along with the references to other Federal Agencies which are found in AS 02.05 and other areas that should be considered if another department is to take up where the ATC leaves off."

"There are several ATC functions being repealed which should be considered for legislation. The list follows:"

"I have not attempted to draw a fine legal distinction between health and safety issues and matters of economic regulation. Many of the items listed under health and safety can be considered a form of economic regulation."

"Policymakers should decide...(whether)...to continue some type of certification/permit/registration process, bond requirements, civil and criminal penalties, weigh fees, vehicle identification, etc."

"Those regulations should be examined and consideration should be given to transferring safety and other regulations to a department with the authority to adopt and enforce them."

And again in the Attorney General's memorandum of November 29, 1984:

"The questions of which department might assume responsibility for transferred regulations...is left open at this point."

In another memorandum by the Attorney General's office, dated January 8, 1985, and addressed to the Office of the Governor, the Attorney sets out a procedure to be accomplished with the proposed new act. In fact, some of the language in that 6-page memorandum is amazing in its clarity as to how to circumvent or contravene the initiative petition as passed by the people. For example:

"The regulations setting up insurance requirements could be taken from those the ATC has currently..."

"DPS would like the authority to continue requiring carriers to be bonded, a power currently given the ATC by AS 42.10.100. As I understand it, the bonding of the business is independent of the financial responsibility requirement established for each vehicle."

"At a minimum, proposed legislation should give DPS the power to adopt regulations for motor carrier safety. Under this authority, DPS would adopt the ATC's regulations currently found..."

"DPS proposes to go a step further than merely adopting the ATC's safety regulations by implementing a semi-annual truck inspection."

"As an additional enforcement tool for the insurance and safety requirements, DPS wants to institute a registration system for both intra-state air and motor freight carriers."

"AS 42.30.220 of the attached bill draft sets up the skeleton of a registration system for both air and motor carriers operating intra-state. AS 42.30.230 re-enacts current AS 42.10.135 to provide for registration of inter-state motor carriers."

"Do you want a requirement that motor vehicles display identification for owner and registration number on the side of trucks, similar to former AS 42.10.113?"

"AS 42.10.394 and AS 02.05.231 provided for civil money penalties in certain circumstances-- should these be included in the bill and for what offenses?"

"AS 42.10.393 and AS 02.05.230 also made violations of the Motor Freight Carrier Act and Air Commerce Act of 1960 misdemeanors. Should similar provisions be included in this bill, and for what offenses? Do you want a section similar to AS 02.05.232, making each violation a separate offense?"

Mr. Chairman, I should re-iterate again, that the initiative petition passed by the people in early November 1984 specifically repealed all portions of AS 42.10 Alaska Motor Freight Carrier Act and AS 02.05 Alaska Air Commerce Act of 1960. By suggesting these statutes be re-enacted in a memorandum to the Office of the Governor, the Office of the Attorney General shows arrogant and flagrant disregard for the will of the people as expressed in a free election. In my opinion, this attitude must not go unnoticed nor unheralded. If we are to maintain a degree of freedom from governmental control of our lives, then we must not allow our State Executive Branch to attempt to re-enact what the people have so soundly and so recently repealed.

*HOPEFULLY
ALL NOTED
YES*




STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

M E M O R A N D U M

TO: John Shively
Chief of Staff

DATE: February 19, 1985

FROM: Ben F. Harding 
Special Staff Assistant
Office of the Governor

SUBJECT: Safety Aspects of
CSSB 103

CSSB 103, which is currently under review in the Senate Transportation Committee, is designed to provide an operating framework for intrastate aviation and trucking safety procedures following the termination of the Alaska Transportation Commission (ATC) February 28.

As the Governor mentioned in his transmittal letter on this legislation, he believes that the administrative arrangements on safety issues should be flexible, provided that basic provisions to ensure safety for the traveling public are adequately addressed.

In that regard, the committee substitute appears to meet the Governor's overall objectives. There are, however, a number of exceptions which raise questions about the adequacy of the protection to the traveling public. These concerns include the following:

1. Commercial vehicle inspections have been reduced from twice a year to a once-annually inspection. In my opinion and in that of Commissioner Sundberg, Commissioner Knapp, and Deputy Commissioner Terry Elder, a once-a-year inspection is not adequate for the protection of the motoring public.
2. The committee substitute proposes that, in lieu of State commercial vehicle inspectors, private-sector mechanics be certificated by the State to perform this function. We have no objection in supporting this approach. We are concerned, however, that certificated inspectors would be allowed to be an employee of the company whose vehicles they inspect. In the highly competitive economic environment which will result

from the deregulation, an in-house inspector's independence may be questioned since he may be viewed as having divided loyalties. (A possible solution might be the certification of mechanics at service stations or other facilities which are not owned and/or operated by transportation companies.)

3. The committee substitute does not provide a clear-cut standard for basic highway truck safety rules. This could be easily remedied by referencing federal interstate rules of the road or pertinent portions of 3 AAC 62.

4. The committee substitute provides no explanation of what procedures would be used to suspend an air carrier's certificate of compliance nor makes any distinction between suspension and revocation. There is no indication of how compliance provisions can be enforced. (The aircraft registration fees will be lost, as will fees carriers used to pay to get a certificate as a carrier in the past.)

5. The annual truck safety inspection program emphasizes the role of the inspectors but does not address the following issues:

a. There is no provision for removing trucks from the road if they lack insurance, current safety stickers, or have never been inspected, short of criminal prosecution.

b. There is no authority for the State to enforce any safety regulation or inspection requirements outside of the annual inspection forum.

c. The committee substitute emphasizes the penalties for an inspector who acts wrongly but provides no serious sanction against a company for unsafe commercial vehicle use. (We proposed that operation in violation of safety rules should be punishable by citation, or removal from the road.)

e. Buses are exempt, which is somewhat inconsistent with the overall road safety policy.

f. There is no definition or explanation of the difference between suspension and revocation of vehicle inspectors' State certification. Also, there is no provision for the registration of commercial carriers, and no authority for levying fees to cover the costs of the safety inspection. (If inspections are to be done privately, fees for this may not be appropriate.)

These points in the current draft legislation have been jointly identified by Commissioner Sundberg, Commissioner Knapp, Deputy Commissioner Terry Elder, and me. We believe that these provisions, although well-intentioned from the standpoint of insuring maximum flexibility to State government agencies and to the transportation industry, could unfortunately result in a deterioration of the present level of safety which the public in Alaska currently enjoys, both in air travel and on our highways.

The Governor has reviewed these points and asked that they be conveyed to the appropriate legislative committees as items of his concern.

MOTOR CARRIER ACT OF 1980

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SECTION 28. SMALL COMMUNITY SERVICE STUDY

This section reflects the Committee's concern that adequate motor carrier service to rural areas and small communities be available and available at reasonable cost. The section requires the Interstate Commerce Commission to make a full investigation of such service, and the impact thereon of this Act, and to submit a report to the President and to Congress with recommendations, no later than September 1, 1981. Such sums as are necessary to carry out the provisions of this section are authorized to be appropriated for fiscal year 1981.

The statutory language is for a study "of motor carrier service to small communities (with emphasis on communities of population 5,000 and under)". The term "emphasis" is intended to make clear that the reference to "5,000" is not intended to set a population ceiling of 5,000; that reference merely illustrates the Committee's concern for small communities and for communities off the beaten paths of transportation services. Under this yardstick, communities with a population far in excess of 5,000 may well be within the scope of the Commission's investigation and study.

A "community" may be a town, township, hamlet, or any political or geographic subdivision capable of being identified as an entity dependent on motor carrier service.

SECTION 29. INSURANCE

Section 29 amends the provision in section 10927 of title 49, which prohibits the Commission from issuing a certificate or permit unless the carrier files with the Commission a bond, insurance policy or other type of security approved by the Commission. Section 29 requires that the bond, insurance policy or other type of security must be in an amount not less than such amount as the Secretary of Transportation prescribes pursuant to, or as is required by, the provisions of section 30 of the Motor Carrier Act of 1980. The purpose of this provision is to assure that motor carriers of property providing transportation subject to the jurisdiction of the Commission maintain the minimum level of financial responsibility required by section 30 of this Act. Section 30 covers bodily injury, property damage, and environmental damage. It does not include coverage for cargo movements. Nevertheless, the Committee expects the Commission to retain regulations governing loss or damage to cargo subject to the jurisdiction of the Commission. Furthermore the Commission is to maintain proper staffing that will assure the continuation of reasonable regulation of cargo insurance, liability standards, and contracts of carriage under the law.

This provision does not change the Commission's authority with respect to motor carrier transportation of passengers.

SECTION 30. MINIMUM FINANCIAL RESPONSIBILITY FOR MOTOR CARRIERS

Section 30 establishes minimum levels of financial responsibility for persons transporting property by motor vehicles having a gross vehicle weight rating of 10,000 pounds or more. The purpose of this provision is to create additional incentives to carriers to maintain and operate their trucks in a safe manner as well as to assure that carriers maintain an appropriate level of financial responsibility.

LEGISLATIVE HISTORY

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Section 30 draws a distinction between the transportation of general freight and the transportation of hazardous materials. Briefly stated, effective one year after the date of enactment, the provision requires the following minimum levels of financial responsibility: \$1,000,000 for the interstate for-hire transportation of property; \$5,000,000 for the interstate and intrastate transportation of certain extremely hazardous materials; and \$1,000,000 for the interstate and intrastate transportation of other hazardous materials. The Secretary is given the discretion to reduce the \$1,000,000 requirements to \$500,000 and to reduce the \$5,000,000 requirement to \$1,000,000 for up to two years if he or she determines that a phase-in period is appropriate. If the Secretary should provide for a full two-year phase-in period, then the minimum levels of \$1,000,000 and \$5,000,000 will take effect three years after the date of enactment. And, to reiterate, these requirements only apply to motor vehicles having a gross vehicle weight rating of 10,000 pounds or more.

The Committee has received considerable testimony on the need to establish certain minimum levels of financial responsibility for the motor carrier industry, not only during our hearings on trucking deregulation, but also during hearings on legislation relating to water pollution control, the transportation of hazardous materials, and the establishment of a "superfund" to clean up chemical spills. The Committee is convinced that establishment of minimum levels of financial responsibility to enhance safety is of sufficient importance to require direct Congressional action.

The responsibility for establishing and enforcing safety standards for interstate trucks is in the Bureau of Motor Carrier Safety (BMCS) of the Department of Transportation. Unfortunately, the present Safety Bureau program has not resulted in a satisfactory level of safety enforcement in the trucking industry. The ratio of commercial vehicles to Federal safety inspectors has been estimated by the Comptroller General of the United States to be about 32,000 to 1; the ratio of the number of carriers to investigators is about 1,300 to 1. In fact, in 1978, there were only about 125 investigators for the entire United States. It is the intent of the Committee to address these problems in the near future.

Change in the economic regulation of the motor carrier industry might have some impacts on safety. To protect against any potential impairment to safety, arguments were made that some precautions should be taken to require higher financial responsibility for motor carriers. In addition, concern was expressed that minimum financial responsibility requirements were needed whether or not any change was made in the economic regulatory scheme. Thus, the action of the Committee in increasing financial responsibility is to encourage the carriers to engage in practices and procedures that will enhance the safety of their equipment so as to afford the best protection to the public.

The problems of motor carrier safety are well illustrated by an unannounced roadside inspection by the Department of Transportation on Interstate 80 near Berwick, Pennsylvania, on August 7-11, 1978. Of the 676 vehicles inspected, the Department found that 353 (52 percent) had to be placed "out of service" for one or more violations. The principal defect was brakes. In addition, it detected 271 "hours of

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service" violations by drivers, and place 25 drivers out of service; 63 percent of all exempt and 55 percent of all authorized for-hire vehicles and drivers were declared out-of-service.

The carrier who wants to maintain high safety levels will be under pressure to cut his costs to meet the prices of his competitors, some of which may cut costs by operating in violation of minimum safety standards. Specifying minimum insurance levels is one way to help improve motor carrier safety. Insurance companies are equipped to evaluate the performance of the motor carriers. The premiums they assess are in direct relation to the risks they assume. Therefore, an unsafe carrier will have an increased premium, and a totally unsafe carrier may not be able to obtain the insurance necessary to operate, or at best will be at an insurance cost disadvantage. The minimum of \$1,000,000 in insurance coverage mandated by this legislation is warranted to protect the public and the environment.

The National Transportation Policy Study Commission (which consisted of six Members of the Senate, six Members of the House of Representatives, and seven public members appointed by the President) recommended, in its 1979 Report to the Congress, mandatory minimum insurance requirements of \$1,000,000. The Report stated:

As an example, all certificated motor carriers operating upon the highways should be obligated to carry adequate insurance (or proof of financial responsibility equal to such insurance to protect the public. The insurance should cover public liability, property, damage, cargo and environmental restoration—with a \$1 million for single occurrence, or another minimum amount sufficient to require periodic "on site" inspection by the insurance company, with the minimum to be updated regularly. Noncertificated motor carriers should be subject to similar standards.

The provisions in Section 30 of this Act represent a first step in implementing these recommendations.

Section 30(a) directs the Secretary of Transportation to establish regulations to become effective one year from the date of enactment to require minimal levels of financial responsibility covering public liability, property damage, and environmental restoration for the transportation of property for hire by motor vehicle in interstate commerce. The minimal level of financial responsibility that can be established by the Secretary is \$1,000,000, except that the Secretary is given the discretion to reduce this amount to as low as \$500,000 for any class of vehicles or operations for up to a two-year period if he or she finds that the reduction will not adversely affect public safety and will prevent a serious disruption in transportation service. This will allow the Secretary to phase in the requirements if he or she determines that phase-in period is necessary. Section 30(a) also provides that the \$1,000,000 minimum requirement will automatically take effect one year after the date of enactment if the Secretary has not promulgated final regulations by that date. The Committee notes that the requirements establish under section 30(a) would only apply to interstate for-hire transportation; they would not apply to intrastate transportation or private carriage.

LEGISLATIVE HISTORY

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Section 30(b) directs the Secretary to establish regulations to require minimal levels of financial responsibility covering public liability, property damage, and environmental restoration for the transportation of hazardous materials in interstate or intrastate commerce. The following hazardous materials would be covered by this section: hazardous materials (as defined by the Secretary of Transportation), oil and hazardous substances (as defined by the Environmental Protection Agency) and hazardous wastes (as defined by the Environmental Protection Agency).

With respect to certain of these hazardous materials, the minimum level of financial responsibility that can be established by the Secretary is \$5,000,000. The following hazardous materials are subject to the \$5,000,000 minimum:

(1) hazardous substances (as defined by the Environmental Protection Agency) when transported in cargo tanks, portable tanks, or hopper-type vehicles with capacities in excess of 3,500 water gallons;

(2) Class A explosives, poison gas, liquefied gas, or compressed gas when transported in bulk (as defined by the Secretary); or

(3) radioactive materials when transported in large quantities (as defined by the Secretary).

With respect to the hazardous materials not subject to the \$5,000,000 minimum, the minimum level of financial responsibility that can be established by the Secretary is \$1,000,000. The Committee wants to emphasize its strong belief that many of these hazardous materials should also be subject to at least a \$5,000,000 minimum, especially hazardous materials transported in bulk. However, the Secretary was given the discretion to set the minimum level as low as \$1,000,000 in recognition of the fact that some of the materials on the Department's hazardous materials list may not require a \$5,000,000 minimum. For instance, the list included burlap bags and charcoal briquettes. These are examples of items which would not appear to require a \$5,000,000 minimum, especially when not transported in bulk.

The Secretary is given the discretion to reduce the \$5,000,000 requirement to as low as \$1,000,000 and the \$1,000,000 requirement to as low as \$500,000 for up to a two-year period if he or she finds that the reduction will not adversely affect public safety and will prevent a serious disruption in transportation service. This will allow the Secretary to phase in the requirements if he or she determines that a phase-in period is necessary. Section 30(b) also provides that the \$5,000,000 requirement and the \$1,000,000 requirement will automatically take effect one year after the date of enactment if the Secretary has not promulgated final regulations by that date.

With respect to the transportation of hazardous materials, the requirements or minimum levels of financial responsibility apply to intrastate transportation and private carriage as well as to interstate transportation. The Secretary, however, is given the discretion to reduce the \$1,000,000 requirement for vehicles transporting hazardous materials in less than bulk quantities in intrastate commerce if he or she determines that a reduction will not adversely affect public safety. This will assure that local operations dealing with only small quantities of hazardous materials will not be unduly burdened.

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Alaska State Legislature



House of Representatives

Committee on Transportation

Rep. Bette Cato, Chairman

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

DATA: 30 April 1985

TO: LOUANN CUTLER
HOUSE FINANCE STAFF

FROM: Rhonda Cargill *RC*
House Transportation Staff

RE: BACK-UP MATERIAL FOR CSHB 364(TRSP)

Please find attached the following information:

- °Sectional Analysis for CSHB 364(TRSP)
- °Position Paper from Public Safety, April 15, 1985
- °Fiscal Note, April 23, 1985, CSHB 364 (TRSP)
- °Letter of Commissioner Sundberg, Public Safety, April 11, 1985
(This is included to show that the functions of the inspection program will be under the Division of Motor Vehicles, as opposed to enforcement by the Troopers).
- °Memorandum from Randall J. Moen, Legislative Counsel, April 8, 1985
clarifying the constitutionality of the commercial motor vehicle licensing and safety inspections proposed legislation.
- °Memorandum from Randall J. Moen, Legislative Counsel, April 18, 1985
answering question as to whether fire trucks fall into the category of commercial vehicles to be inspected. According to him they do.
- °House Transportation Committee Minutes of April 17 and 18 to update the back-up provided to you earlier this month.

Please let us know what materials you would like to put in the committee's packet for tomorrow's meeting, and we will be happy to duplicate those for you. The only one I know Bette wants to make certain the members are aware of is Commissioner Sundberg's letter relating to program in DMV versus under the Troopers.

Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

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

April 30, 1985

SECTIONAL ANALYSIS FOR CSHB 364(TRSP)

"An Act relating to commercial motor vehicle licensing and safety inspections; and providing for an effective date."

Section 1:

(AS 28.10.041 (a) Grounds for refusing registration)

Requires a commercial motor vehicle to pass an inspection before the State issues or renews vehicle registration. Allows the Division of Motor Vehicle to deny issuance of a vehicle registration for vehicles without an inspection sticker. This would provide one more check to ensure inspections are being done.

Section 2:

(28.15.041 Classification of drivers' licenses)

Provides a new classification for a person to drive a commercial motor vehicle. To qualify, an applicant must be at least 21 years of age, have had a valid driver's license at least one year, and satisfy the department's standards for competence and fitness.

(Please note section 4 provides a grandfather clause for those currently 19 years of age and permitted to drive a commercial motor vehicle)

Section 3:

New Chapter to Title 28

28.32.010 COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS.

(The purpose of this chapter is to put the inspection of vehicles in the private sector. The Department of Safety would have certification authority and oversight of the program).

Establishes an inspection program whereby a commercial motor vehicle may not be operated without a certificate of inspection; requires 2 inspections a year which may be done during business hours. (The administration and trucking industry feel the safety inspection program would be more effective with inspections twice a year. Concern was expressed from the Transportation committee that

the inspections be done at the discretion of the operator and not be at the scheduling of the department).

Commercial motor vehicle shall display current sticker so it is visible from the outside.

28.32.020 EXEMPTIONS

Exempts U.S. government vehicles unless used to transport property of general public for compensation in competition with other persons who own or operate a commercial motor vehicle.

28.32.030 OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION STATIONS

Describes the process for permitting inspection stations; how they apply for it, must have someone on staff qualified to do the inspections, the permit can only be used at the location which it is assigned; the department can suspend or revoke a permit if necessary. Sets up a vehicle by which the permit holder whose permit has been suspended or revoked can appeal.

28.32.040 CERTIFICATION OF COMMERCIAL MOTOR VEHICLE INSPECTORS

(The idea behind this is to get the inspection to the private sector through a serious state certified inspector)

Establishes a system for certifying vehicle inspectors, allows for suspension of certification and a process of appeal of suspension.

28.32.050 ISSUANCE OF CERTIFICATE OF INSPECTION

Directs an inspector to issue a certificate of inspection if the vehicle is found to be safe and mechanically sound; keep a record of inspections, can be audited by the department

28.32.060 FALSELY REPRESENTING TO BE AN OFFICIAL STATION

Prohibits falsely representing to be an inspection station or issuing certificates of inspection without a permit.

28.32.070 COUNTERFEIT CERTIFICATES OF INSPECTION.

Prohibits making or using counterfeit certificates of inspection or using certificate of inspection on an unqualified vehicle.

28,32.080 DUTIES OF COMMISSIONER.

Authorizes the Commissioner of Public Safety to adopt regulations to implement safety requirements

28.32.090 VIOLATION A MISDEMEANOR.

Makes violation of the section a Class B misdemeanor (up to 90 days in jail or up to \$1000 fine, or both)

28.32.900 DEFINITIONS

Provides definitions of "commercial motor vehicle", "commercial purposes", "department", and "freight".

The intent of the definition of commercial motor vehicle written as it is in the bill, is to cover vehicles operating on state's roads;

and to include school buses and state or local government vehicles; more than 10,000 pounds unladen gross weight.

Please note the inclusion of trailers (5,000 pounds or more unladen gross weight) has been added to this definition for the purpose of inspecting a trailer when it is part of the power unit or in combination. They are required to be inspected.

"Commercial purposes" definition was originally suggested at a Senate Transportation meeting by the trucking industry. Through the process it was amended and lost its originally meaning, thus, the House Transportation Committee inserted it here. The intent of this definition is that all vehicles 10,000 pounds unladen weight should be inspected.

"Freight" the amended bill deleted "[EXCLUDING GARBAGE AND TRASH]" Operators should meet same requirements as anyone else operating a heavy vehicle.

Section 4. Provides the grandfather clause for 19 years old being permitted to drive a commercial motor vehicle as previously mentioned.

Section 5. Effective immediately.

DEPARTMENT OF PUBLIC SAFETY

POSITION PAPER - HB 364

April 15, 1985

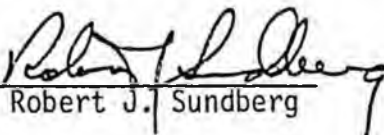
Support

HB 364 - "An Act relating to commercial motor vehicle licensing and safety inspections; and providing for an effective date."

As related to the 28.10.041(a) amendment in the bill, the Department is currently working on regulations related to a commercial motor vehicle operator's license..

This bill also addresses the need for inspection of all commercial motor vehicles over 10,000 pounds, which is much easier to enforce than an inspection program that allows for "exempt" status of certain vehicles.

To implement the inspection requirements of this bill, a unit manned by civilian personnel will be set up within the Division of Motor Vehicles.


Robert J. Sundberg

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 364 (Trans)
 Title: "Commercial Motor Vehicle
 Licensing/Inspections"
 Sponsor: Transportation Comm.
 Requestor: Transportation Comm.
 Date of Request: 04/23/85

FISCAL DETAIL

Agency Affected: Public Safety
 Program Category Affected: _____
 Police Protection
 BRU, Program or Subprogram(s) Affected:
 Division of Motor Vehicles

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|--------------|--------------|--------------|--------------|--------------|
| OPERATING | | | | | | |
| 100 PERSONAL SERVICES | | 111.3 | 116.9 | 122.7 | 128.8 | 135.2 |
| 200 TRAVEL | | 27.0 | 28.4 | 29.8 | 31.3 | 32.9 |
| 300 CONTRACTUAL | | 30.3 | 31.8 | 33.4 | 35.1 | 36.9 |
| 400 SUPPLIES | | 3.5 | 3.7 | 3.9 | 4.1 | 4.3 |
| 500 EQUIPMENT | | 38.0 | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS | | | | | | |
| 800 MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | 210.1 | 180.8 | 189.8 | 199.3 | 209.3 |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|--------------|--------------|--------------|--------------|--------------|
| GENERAL FUND | | 210.1 | 180.8 | 189.8 | 199.3 | 209.3 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | 210.1 | 180.8 | 189.8 | 199.3 | 209.3 |

POSITIONS:

| | | | | | | |
|-----------|--|---|---|---|---|---|
| FULL-TIME | | 3 | 3 | 3 | 3 | 3 |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: Attach a separate page if necessary

Prepared By: Marcia Lynn McKenzie
 Division: Administrative Services

Phone: 465-4349
 Date: 04/23/85

Approved by Commissioner: Robert J. Sundberg
 Agency: Public Safety

Date: 4/23/85

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

COST ANALYSIS

CSHB 364 (Transportation)

| | | |
|-----------------------------|---|----------------|
| <u>Personal Services</u> | | |
| 1 | Vehicle Inspection Agent I (Anchorage) | 39.0 |
| 1 | Vehicle Inspection Agent I (Fairbanks) | 44.5 |
| <u>1</u> | Clerk-Typist III (Anchorage) | <u>27.8</u> |
| 3 positions | Total | \$111.3 |
| <u>Travel</u> | | |
| | Quarterly on-site monitoring of inspection stations statewide | 27.0 |
| <u>Contractual Services</u> | | |
| | Telephone and postage | \$ 6.0 |
| | Office equipment maintenance agreement | 2.5 |
| | Printing of special forms | 5.0 |
| | 2 HWCF vehicles @ \$700/month per vehicle | <u>16.8</u> |
| | Total | 30.3 |
| <u>Supplies</u> | | |
| | Office supplies | \$3.0 |
| | Automotive parts & lube, etc. | <u>.5</u> |
| | Total | 3.5 |
| <u>Equipment</u> | | |
| | Personal computer | \$12.5 |
| | 2 HWCF vehicles | 24.0 |
| | Office equipment (desks, chairs, files, etc.) | <u>1.5</u> |
| | Total | 38.0 |
| | Grand Total | <u>\$210.1</u> |

Note: A 5% annual inflation factor has been applied to costs for FY 87 and beyond.

Cost Analysis
CSHB 364 (Transportation)
Page 2

Revenues

Revenues have not been estimated because there is no specific provision in the bill for license fees which might be charged to operators of commercial vehicle inspection stations. It is possible, however, that a fee could be imposed through administrative regulation. Such fees would be collected and deposited into the General Fund.

If such fees are imposed there would be an impact of accounting responsibilities. Therefore, the Clerk-Typist position should be upgraded to Administrative Assistant I in order to handle both clerical and accounting applications.

| | | | | | | | | | | | | | | | | |
|------------------|------------------------------------|-----------------------|-----------|------------|---|-----------------------|-------------------|------|---------|---------|---|--|--|--|--|--|
| 1. | POSITION TITLE Clerk Typist III | | | | RANGE/STEP 8/B | BARG. UNIT G | PAGE/LINE | Gov. | APPROV. | DISAPP. | | | | | | |
| 2. | TYPE OF POSITION PFT | STAFF MONTHS 12.0 | RP NUMBER | PCN NUMBER | BRU PRIORITY | LOCATION Anchorage | ELECTION DISTRICT | LEG. | | | | | | | | |
| 3. | CONTINUATION LEVEL | | | | JUSTIFICATION | | | | | | | | | | | |
| 4. | TYPE OF EXPENDITURE | | | | <p>This position will provide clerical support to the unit monitoring commercial vehicle inspection stations. It will be responsible for preparation of certificates of compliance, correspondence, and maintenance of central files and records.</p> | | | | | | | | | | | |
| | 1 | | 2 | | | | | | | | 3 | | | | | |
| | PERSONAL SERVICES | | | | | | | | | | | | | | | |
| 5. | Salary | \$1678/month | 20,136 | | | | | | | | | | | | | |
| 6. | Benefits | 18.0577% | 3,636 | | | | | | | | | | | | | |
| 7. | Supplemental Benefits | | 1,234 | | | | | | | | | | | | | |
| 8. | Fixed Benefits | | 2,732 | | | | | | | | | | | | | |
| 9. | TOTAL PERSONAL SERVICES | | 01 | 27,738 | | | | | | | | | | | | |
| 10. | Travel | | 02 | | | | | | | | | | | | | |
| 11. | Contractual | | 03 | 2,000 | | | | | | | | | | | | |
| 12. | Commodities | | 04 | 1,000 | | | | | | | | | | | | |
| 13. | Equipment | | 05 | 800 | | | | | | | | | | | | |
| 14. | Other | | | | | | | | | | | | | | | |
| 15. | TOTAL COST | | | 31,538 | | | | | | | | | | | | |
| | RECEIPT CODE | FUNDING SOURCE | | | | | | | | | | | | | | |
| 16. | | Federal Receipts 1002 | | | | | | | | | | | | | | |
| 17. | | G.F. Match 1003 | | | | | | | | | | | | | | |
| 18. | | General Funds 1004 | | | 31.5 | | | | | | | | | | | |
| 19. | | I-A Receipts 1005 | | | | | | | | | | | | | | |
| 20. | | Program Receipts 1028 | | | | | | | | | | | | | | |
| 21. | | Other | | | | | | | | | | | | | | |
| FOR B&H USE ONLY | | | | | | | | | | | | | | | | |
| KEY NUMBER _____ | | | | | | | | | | | | | | | | |

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life & Property Protection
BRU Division of Motor Vehicles
COMPONENT Commercial Vehicle Safety

Page _____ of _____
Revised Date _____

FY 86

| | | | | | | | | | | | | |
|------------------|--|-----------------------|-----------|------------|---|-----------------------|-------------------|------|---------|---------|---|--|
| 1. | POSITION TITLE Vehicle Inspection Agent I | | | | RANGE/STEP 14/B | BARG. UNIT G | PAGE/LINE | COV. | APPROV. | DISAPP. | | |
| 2. | TYPE OF POSITION PFT | STAFF MONTHS 12.0 | RP NUMBER | PCN NUMBER | BRU PRIORITY | LOCATION Fairbanks | ELECTION DISTRICT | LEG. | | | | |
| 3. | CONTINUATION LEVEL | | | | JUSTIFICATION | | | | | | | |
| 4. | TYPE OF EXPENDITURE | | | | <p>This is a new job class. Duties will include on-site monitoring of commercial vehicle inspection stations operated by the private sector. The position will be responsible to determine if the stations are properly equipped to perform the vehicle inspections and will evaluate/certify mechanics assigned to commercial vehicle inspections. Part of the station review will include an audit of files to ensure compliance and accountability</p> | | | | | | | |
| | 1 | | 2 | | | | | | | | 3 | |
| | PERSONAL SERVICES | | | | | | | | | | | |
| 5. | Salary | \$2804/month | 33,648 | | | | | | | | | |
| 6. | Benefits | | 6,076 | | | | | | | | | |
| 7. | Supplemental Benefits | | 2,063 | | | | | | | | | |
| 8. | Fixed Benefits | | 2,732 | | | | | | | | | |
| 9. | TOTAL PERSONAL SERVICES | | 01 | 44,519 | | | | | | | | |
| 10. | Travel | | 02 | 12,000 | | | | | | | | |
| 11. | Contractual | | 03 | 10,400 | | | | | | | | |
| 12. | Commodities | | 04 | 1,000 | | | | | | | | |
| 13. | Equipment | | 05 | 12,350 | | | | | | | | |
| 14. | Other | | | | | | | | | | | |
| 15. | TOTAL COST | | | 80,269 | | | | | | | | |
| | RECEIPT CODE | FUNDING SOURCE | | | | | | | | | | |
| 16. | | Federal Receipts 1002 | | | | | | | | | | |
| 17. | | G.F. Match 1003 | | | | | | | | | | |
| 18. | | General Funds 1004 | | 80.3 | | | | | | | | |
| 19. | | I-A Receipts 1005 | | | | | | | | | | |
| 20. | | Program Receipts 1028 | | | | | | | | | | |
| 21. | | Other | | | | | | | | | | |
| FOR B&H USE ONLY | | | | | | | | | | | | |
| KEY NUMBER _____ | | | | | | | | | | | | |

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety

PROGRAM Life & Property Protection

BRU Division of Motor Vehicles

COMPONENT Commercial Vehicle Safety

Page of

Revised Date _____

FY 86

| | | | | | | | | | |
|--------------------------------------|--|-----------------------|-----------|--------------------|-----------------|-----------------------|-------------------|---------|---------|
| 1. | POSITION TITLE Vehicle Inspection Agent I | | | RANGE/STEP 14/B | BARG. UNIT G | PAGE/LINE | GOV. | APPROV. | DISAPP. |
| 2. | TYPE OF POSITION PFT | STAFF MONTHS 12.0 | RP NUMBER | PCN NUMBER | BRU PRIORITY | LOCATION Anchorage | ELECTION DISTRICT | LEG. | |
| 3. | CONTINUATION LEVEL | | | JUSTIFICATION | | | | | |
| 4. | TYPE OF EXPENDITURE | | | AMOUNT | | | | | |
| | 1 | 2 | 3 | | | | | | |
| | PERSONAL SERVICES | | | | | | | | |
| 5. | Salary | \$2433/month | 29,196 | | | | | | |
| 6. | Benefits | | 5,272 | | | | | | |
| 7. | Supplemental Benefits | | 1,790 | | | | | | |
| 8. | Fixed Benefits | | 2,732 | | | | | | |
| 9. | TOTAL PERSONAL SERVICES | | 01 | 38,990 | | | | | |
| 10. | Travel | | 02 | 15,000 | | | | | |
| 11. | Contractual | | 03 | 10,400 | | | | | |
| 12. | Commodities | | 04 | 1,000 | | | | | |
| 13. | Equipment | | 05 | 12,350 | | | | | |
| 14. | Other | | | | | | | | |
| 15. | TOTAL COST | | | 77,740 | | | | | |
| 16. | RECEIPT CODE | FUNDING SOURCE | | | | | | | |
| 17. | | Federal Receipts 1002 | | | | | | | |
| 18. | | G.F. Match 1003 | | | | | | | |
| 19. | | General Funds 1004 | | 77.7 | | | | | |
| 20. | | I-A Receipts 1005 | | | | | | | |
| 21. | | Program Receipts 1028 | | | | | | | |
| | | Other | | | | | | | |
| FOR B&H USE ONLY KEY NUMBER _____ | | | | | | | | | |

This is a new job class. Duties will include on-site monitoring of commercial vehicle inspection stations operated by the private sector. The position will be responsible to determine if the stations are properly equipped to perform the vehicle inspections and will evaluate/certify mechanics assigned to commercial vehicle inspections. Part of the station review will include an audit of files to ensure compliance and accountability.

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
PROGRAM Life & Property Protection
BRU Division of Motor Vehicles
COMPONENT Commercial Vehicle Safety

FY 86

Page _____ of _____
Revised Date _____

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER

POUCH N
JUNEAU, ALASKA 99811
PHONE: 465-4322

April 11, 1985

The Honorable Bette Cato
Chair, House Transportation Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Cato:

This is in response to the House Transportation Committee's Work Draft Bill related to commercial vehicle inspections, and addresses management and costs should those regulatory functions be placed in the Department of Public Safety.

Since the House previously passed legislation separating the management of mandatory insurance for commercial transportation entities, in that commercial air went to the Department of Commerce and commercial vehicles to this Department, we have incorporated the management and related costs of insurance handling of commercial vehicles in this dissertation.

As to the management, both functions would be placed in the Division of Motor Vehicles and would be handled by civilian personnel. Even at that, no one should be deluded to the fact that State Troopers and/or local law enforcement personnel will be involved in road enforcement aspects related to the requirements of safety inspections. This is a fact no matter which department the management of the noted functions fall under.

The estimated first year costs of operating the commercial vehicle safety and insurance functions are as follows:

Personnel: \$245.3

5 Inspection Station Monitors
1 Clerk V
1 Clerk Typist III

The inspection station monitors would include three for the Anchorage, Mat-su, and Kenai areas; one of which would be a working manager for the unit. One monitor

The Honorable
Bette Cato

-2-

April 11, 1985

for the Fairbanks, Northpole, and Prudnoe areas, and one monitor for the Southeastern area.

The Clerk V would handle the insurance desk.

The Clerk Typist III would provide back-up support for the insurance desk as well as clerical support for both insurance and inspection activities.

Travel: \$38.0

Necessary travel/per diem costs for the monitors to cover the various inspection stations across the State.

Contractual: \$67.5

Highway working capital fund replacement, office space, telephone, utilities, printing, postage, janitorial, and office equipment rental and repair.

Supplies: \$3.5

Office supplies, fuel, lubes, and parts.

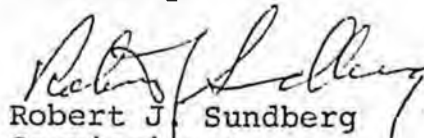
Equipment: \$87.5

Five vehicles with radios, office furniture, and personal computer.

Total: \$441.8

If this Department can be of any further assistance in this matter, please feel free to contact us.

Sincerely,


Robert J. Sundberg
Commissioner

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

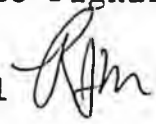
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 8, 1985

SUBJECT: Constitutionality of Commercial Motor Vehicle
 Licensing and Safety Inspections
 (Work Order No. 14-1018)

TO: House Transportation Committee,
 Representative Mike Davis and
 Representative Marco Pignalberi

FROM: Randall J. Moen 
 Legislative Counsel

You have requested a memo citing rationale and case law supporting my position in the constitutionality of the House Transportation Committee's work draft relating to commercial motor vehicle licensing and safety inspections (Work Order No. 14-1018). At issue is whether the House Transportation Committee's work draft violates Article XI, sec. 6 of the Alaska Constitution as a result of Initiative No. 83-02, which took effect February 2, 1985.

Initiative No. 83-02, among other things, terminated the Alaska Transportation Commission (ATC) and repealed transportation laws administered by the ATC. The repeal of transportation laws administered by the ATC annulled the ATC's motor carrier safety regulations (3 AAC 62). The House Transportation Committee has responded to Initiative No. 83-02 and the annulment of the ATC's motor carrier safety regulations with Work Order no. 14-1018. The question is whether Work Order 14-1018 acts as a repeal of Initiative No. 83-02 which annulled the ATC's motor carrier safety regulations.

Under Article XI, sec. 6 of the Alaska Constitution the legislature may not repeal an initiative enacted by the people through the initiative process until two years after the effective date of the initiated law. Warren v. Boucher, 543 P.2d 731, 737 (AK. 1975). At the same time, under Article XI, sec. 6, the legislature has the power to amend a law enacted by an initiative and the power to amend is

broad. ID. The legislature's power to amend an initiative is broadly defined as a check or balance against an initiative which might result in the frustration of sound government. Warren v. Thomas, 568 P.2d 400 (AK. 1977). An amendment should be used to clarify the law or to effectuate the intent of the electorate. ID.

There is no Alaska case law precisely clarifying the point at which an amendment might be so drastic as to constitute a repeal of an initiated law in violation of the Alaska Constitution. Nevertheless, the language in Thomas, supra, provides insight. The court quoted the following language from Mevers v. Board of Supervisors of Los Angeles County, 110 Cal. app. 2d 623, 243 P.2d 38, 42, (1952):

An amendment to an act operates as a repeal of its provisions to the extent they are materially changed by and rendered repugnant to, the amendatory act.

The following questions emerge as a result of case law research:

- (1) Is the House Transportation Committee work draft (Work Order no. 14-1018) a material change repugnant to Initiative No. 83-02?
- (2) Is the House Transportation Committee's work draft used as a check or balance which might result in the frustration of sound government?
- (3) Is the House Transportation Committee's work draft in keeping with the electorate's intent?

MATERIAL CHANGE

The House Transportation Committee's work draft creates a new comprehensive commercial motor vehicle safety inspection program. It is not a carbon copy of the former ATC motor carrier inspection regulations. The House Transportation Committee is not materially restoring the old ATC inspection requirements. Basically the House Transportation Committee work draft creates a safety inspection program, whereas before under the ATC motor carrier safety regulations an inspection program did not exist. A motor carrier was simply required to inspect its own motor carrier. Even if it could be demonstrated that the House Transportation Committee's work draft materially changes or restores the repealed law

it would have to be demonstrated that the material change or restoration is repugnant to the intent of the electorate. (See below).

SOUND GOVERNMENT

Commercial motor vehicle transportation safety is a legitimate concern for the legislature. If during the enactment of an initiative motor vehicle transportation safety is jeopardized, it is the responsibility of the legislature to respond. The elimination of motor carrier inspection by the initiative may be a prime example of the need for the legislature to exercise its broad constitutional right to amend an initiative which might result in the frustration of sound government.

ELECTORATE & INTENT

The purposes of Initiative No. 83-02 relating to the termination of the Alaska Transportation Commission and the repeal of transportation laws administered by the commission are stated in the initiative as follows:

The people of Alaska recognize that

- (1) because of Alaska's great size and distance from markets, Alaskans must have access to efficient low-cost transportation in order for people and goods to move safely inside and outside the state;
- (2) a little-known but powerful state regulatory agency, the Alaska Transportation Commission (ATC), creates motor and air carrier monopolies by legalized price fixing and tariffs, which artificially raises shipping rates and makes consumer goods more expensive for all Alaskans;
- (3) the primary purpose of the ATC is to fix rates, not promote safety, and other government agencies can insure safety standards while allowing persons to contract freely for services;
- (4) abolishing the ATC and its anti-competitive practices will subject air carriers and trucking companies to free market competition, thereby reducing freight rates, improving service, and saving Alaskan consumers millions of dollars each year;

It is apparent that the purpose of Initiative No. 83-02 was to repeal anti-competitive trade practices by the ATC in order to create better consumer prices without jeopardizing transportation safety. Consequently the House Transportation Committee's work draft is designed to enhance the electorate's intent of insuring transportation safety by creating a transportation safety inspection program. The electorate's intent is further met by having the safety inspection administered by an agency other than the ATC.

CONCLUSION

In light of Thomas, Mevers and Warren, supra, the House Transportation Committee's work draft does not violate Article XI, sec. 6 of the Alaska Constitution because it does not materially alter but rather promotes legitimate legislative measures designed to carry out, not defeat, the electorate's intent to insure transportation safety.

RJM:ojb
J13/

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 18, 1985

SUBJECT: Inspection of fire trucks
(CSHB 364 (Trans))

TO: Representative Bette Cato, Chair
House Transportation Committee

FROM: Randall J. Moen *RJM*
Legislative Counsel

You have asked in your April 18, 1985 memo regarding CSHB 364 (Trans) whether fire trucks are commercial vehicles and therefore required to obtain a certificate of inspection. The answer is yes if the fire truck is a local government vehicle or more than 10,000 pounds because under sec. 28.32.900(1) of CSHB 364 (Trans) commercial motor vehicle means a "local government vehicle" or a "truck of more than 10,000 pounds".

RJM:lmb
L4/075

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

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

HT 4-17-85 7am
4-18-85 7am

HOUSE JOURNAL

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
For
CSHB 133 (Finance)

It is the intent of the Legislature that a study be undertaken by legislative staff to determine:

- 1) what federal safety regulations are applicable to Alaska intrastate air commerce, and which, if any, ought to be incorporated into the State's certification of compliance program;
- 2) if the hazardous flying conditions in Alaska warrant additional safety training for pilots as a condition of state certification of compliance; and
- 3) the effects of phase out or elimination of the federal essential air service program on the reliability of air service to Alaska communities.



Al Adams, Chairman
House Finance Committee

Adopted by House 3/25/85

HOUSE LETTER OF INTENT

Alaska State Legislature

SENATOR
JOHN B. "JACK" COGHILL
Chairman

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4921

Senator Jan Faiks—Vice Chairman
Senator Mitch Abond
Senator Paul Fischer
Senator Joe Josephson

Senate Committee on Transportation

April 25, 1985

MEMORANDUM

To: Finance committee members
From: Transportation committee staff *jm*
Re: Analysis for SCS CSHB 133 (Trans)

HB 133 was identical to SB 103 when the two bills were introduced by the Governor early in the session. They remained essentially the same through their first committee substitutes, and it was not until House Finance amended HB 133 substantially that the two bills diverged.

The version passed by the House deals only with air commerce, and leaves motor vehicle inspections to further study. This bill was passed by the House on Monday, March 25.

Meanwhile, SB 103 moved from the transportation committee in late February and ran into some difficulties in Senate Finance, where it remains today. Those concerns, primarily that private carriers should not become regulated upon the demise of the ATC, and that the gravel-haulers be covered by the bill, have been explored in subsequent drafts.

The intent of the Transportation CS is to put the three components of the issue - insurance, certification of aircraft, and truck inspections - back together into one bill.

* Sec. 1 allows DMV to refuse to issue a vehicle registration if the vehicle does not have a current certificate of inspection.

* Sec. 2 makes changes to the financial responsibility language passed by the initiative to do the following: exclude vehicles not used for commercial purposes, and include vehicles rented or leased to another to carry freight; set insurance minimums at \$200,000 for property damage, \$500,000 for bodily injury or death, and \$100,000 per seat for aircraft. This insurance requirement would be overseen by DCED. In the House Finance version, this section deals only with aircraft, and leaves motor vehicle insurance in Public Safety. The

House financial responsibility language further allows the DCED commissioner to set the insurance minimums, but mandates not less than \$200,000 per seat for bodily injury or death, and \$25,000 for property damage. The \$200,000 resulted from a floor amendment in the House on reconsideration.

* Sec. 3 would amend the insurance language by adding sections to require 30-day notice of cancellation, and to make a violation of the insurance requirement a Class B misdemeanor, with a fine of at least \$500, and not more than \$1000. The comparable House language increases the crime to a Class A misdemeanor, with a fine of between \$1000 and \$5000.

House Finance also added language at this point to allow the department to charge and collect fees for this service - a provision that is apparently misplaced. It was intended to have been for the certification of compliance of aircraft.

* Sec. 4 of the Senate CS establishes the certificate of compliance for aircraft, which is substantially different from the House version. The House has eliminated: The \$50.00 fee; the requirement that the certificate be displayed for boarding passengers to read; the requirement that interstate carriers obtain the certificate and the provision allowing current ATC-authorized carriers to continue to use their aircraft without certification until their insurance must be renewed. The elimination of this last provision will mean that immediately following the effective date of this Act, every air carrier will have to obtain the certificate of compliance, or fly in violation of the law.

The next portion of Sec. 4 establishes the motor vehicle safety inspection program, for which no comparable language exists in the House bill. The language of the new CS is substantially the same as that contained in our CS for SB 103, with the following modifications:

- Non-commercial users are exempted from inspection (P.4, L.29)
- Rural areas are exempted from inspection (P.5, L.2)
- The definition of "commercial purposes" is changed to exclude "activities incidental to and done in furtherance of the person's primary business" (P.8, L5)
- A definition for "vehicular way" is provided (P.8, L.20)
- School buses are included in the inspection requirement (P.8, L.21)

* Sec. 5 provides an immediate effective date, as is also provided in the House version.

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

3/26/85

Date APRIL 8, 1985

Mr. President

The Committee on TRANSPORTATION considered CSHB 133(Fin) am
transportation safety and financial responsibility; efd.

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

do pass

do pass with attached amendment(s)

replace with/or adopt S CS for CSHB 133 (TRANS)

new title

same title and recommends man do pass

and attached a "LETTER OF INTENT"

NEW FISCAL NOTE

SS# 29

reports it back without recommendation

recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

1 Paul Fische

1 Joe Josephson

2 Mitch Wood Do pass
if Air & truck bills are
separated

3 Jimmie Miles

1 [Signature]

Chairman

DO PASS
Chairman recommendation

Alaska State Legislature

SENATOR
JOHN B. "JACK" COGHILL
Chairman

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4921



Senator Jan Faiks—Vice Chairman
Senator Mitch Ahood
Senator Paul Fischer
Senator Joe Josephson

Senate Committee on Transportation

MEMORANDUM

TO: Committee Members
FROM: Senator Coghill
DATE: February 13, 1985
RE: CS SB 103

Sectional Analysis of 2/13 Draft of CJ for SB 103

Section 1

Amends th language of the initiative to set the required insurance amounts by statute at \$200,000 for property damage, \$500,000 bodily injury for motor vehicles and \$300,000 per seat bodily injury for aircraft.

Subsection (c) changes "enforcement officers" to "department personnel", and allows the department to adopt necessary regulations.

Section 2

Adds three new subsections to the financial responsibility section to:(d) disallow cancellation of insurance without 30 day notice to the department; (e) make a violation of the requirement to have insurance a class B misdemeanor with a minimum \$500 fine; and (f) applies the section only to certain types of vehicles and aircraft.

Section 3

Establishes a certification of compliance for air carriers. This establishes a certificate of compliance under DCED for air carriers. This annual certificate would be issued for each aircraft used in air commerce, and would be issued upon application and showing proof of financial responsibility and proof of compliance with FAA requirements. The certificate

would have to be displayed for boarding passengers to read, and interstate carriers would be required to obtain the certificates for the aircraft they use intrastate. The certificate could be revoked if it was shown that the aircraft had been used in commerce before the certificate was obtained; however, current ATC-authorized carriers would not have to certify their aircraft until the renewal dates on their insurance policies. This is to avoid an annual crush of renewal on the department.

Article 6 is added to AS 42.30 establishing a program of motor vehicle inspections.

.300 requires all motor vehicles to be inspected once a year, with an annually renewable certificate of inspection. The certificate would be carried in the vehicle, and stickers placed on the outside. The commissioner could adopt regulations to implement the program.

.310 exempts US government vehicles

.320 describes the process for permitting inspection stations, allows the department to monitor a station's work, and suspend or revoke the permit if necessary. A process is then established by which a suspension or revocation may be appealed.

.330 Describes the process for certifying a vehicle inspectors.

.340 Establishes a hearing board within DCED to mitigate disputed revocations and suspensions.

.350 Describes how certificates of inspection will be issued, and that a station operator will keep records, auditable by the department.

.360 prohibits falsely representing to be an official inspection station.

.370 prohibits the manufacture, issuance or use of counterfeit certificates of inspection.

.380 makes it a class B misdemeanor to violate the section.

.390 Defines "air commerce", "aircraft", "department", "freight", and "motor vehicle".

Section 4

Adds implementation of the financial responsibility requirements to the duties of the commissioner of DCED.

Section 5

Provides an immediate effective date.



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

To: Chairman Coghill
From: Committee Staff
Date: January 28, 1985
Re: Committee bill on ATC

You have asked for a committee analysis of our draft bill regarding highway safety and the initiated demise of the Alaska Transportation Commission. Bearing always in mind that our opportunity here is to create a program which will effectively monitor the safe conditions of trucks on the state's highways, without violating the mandate of the people in last November's election to eliminate ATC interference in the marketplace of transportation of goods and passengers, we have had the accompanying bill drafted. It can be introduced at any time the committee thinks appropriate.

Section 1 of the draft adds language which will allow DCED to enforce weight and load restrictions currently in effect. Although this authority was transferred to DCED some time ago, the enforcement tool was apparently not transferred along with it, and DCED has been in the ineffective position of having a duty they could not enforce. Section 1 is a housekeeping measure, and has nothing to do with the repeal of the ATC.

Section 2 contains the financial responsibility language passed by the initiative, with two amendments. The first, on page 1, line 26, replaces the department of public safety with the department of commerce and economic development. The second, on page 2, line 10, authorizes the department to adopt regulations to enforce the financial responsibility section.

Section 3 adds a class B misdemeanor penalty for violations of the financial responsibility requirement. Class B misdemeanors carry a penalty of up to 90 days in jail, or up to \$1000 fine, or both.

Section 4 mandates DCED to conduct inspections at least once every six months, and allows the department to adopt regulations implementing this section. The section further allows exemptions from inspection for government owned and operated vehicles, and authorizes DCED to issue appropriate orders (such as a stop order to disallow the vehicle on the

Chairman Coghill
January 28, 1985
atc cmte bill, p 2

road) for enforcement, and establishes an infraction penalty for violations of the safety regulations. Finally, section 4 provides a definition for "motor vehicles" as used in this section of the statutes.

Section 5 of the bill makes changes to AS 44.33.020, duties of the commissioner of DCED, adding the aforementioned responsibilities.

Section 6 will provide an immediate effective date.

Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

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

DATE: 14 February 1985
FROM: Representative Cato, Chairman
TO: COMMITTEE MEMBERS
RE: CSHB 133(TRSP) WORK DRAFT

Sectional Explanation:

Section 1: FINANCIAL RESPONSIBILITY

(a) Contains language passed by the initiative with an amendment which establishes the required amounts, by statute, for \$200,000 property damage, \$500,000 bodily injury for motor vehicles and \$300,000 per seat for bodily injury for aircraft.

It was stated on Tuesday during the committee meeting that the motor carriers would prefer to see the federal minimums used for insurance minimums in this bill which would be as follows (this would only apply to (1) and (2) of (a):

\$600,000 general liability; \$750,000 property and non-hazardous liabilities and \$5,000,000 non-hazardous liability.

The air carriers had expressed their desire for a minimum liability insurance set at \$300,000 which is the same as required by the federal government.

Both the air carriers and motor carriers desire that rather than allow minimum liability insurance requirement to be set by regulation, they recommend it be established in statute.

(b) Is a continuation of the language from the initiative.

(c) Contains language of the initiative with the amendments which change "enforcement officers" to department personnel since this bill is giving the department of Commerce the responsibility of enforcement. It also adds that the department may adopt procedural regulations to implement this section.

Section 2:

Adds 3 new subsections to the financial responsibility section:

(d) disallow cancellation of insurance without 30 day notice to the department. Makes it mandatory that all insurance policies provide a provision that they can not be cancelled without 30 days notice from the state. This was taken from the language used in HB 133, page 3, line 10-14 to which the air carriers agreed with and asked to be retained in this version of the bill.

(e) make a violation of the requirement to have insurance a class B misdemeanor with a minimum \$500 fine. This was added due to the concern expressed during Senate meetings. A Class B misdemeanor carries a penalty of 90 days in jail, up to \$1000 fine or both. It was preferred that a minimum level be established rather than a maximum level. The House Committee has requested an analysis or some type of guideline to determine fines and/or penalties for this violation as it was their feelings a Class B misdemeanor may not be enough. That is still underway with the Legal Services.

(f) applies the section only to certain types of vehicles and aircraft. The idea behind this was to limit the possibility of extensive rules and regulations (i.e. to include ultralights, hot air balloons, taxicabs...)

Section 3. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS

This section was written using the air carriers recommendations.

(a) Would prohibit a person from engaging in air commerce without obtaining this certification. It would be issued upon application and proof of financial responsibility showing that they have their insurance and proof of compliance with FAA for their aircraft.

(b) This certificate shall be renewed annually.

(c) The person engaging in air commerce has to have a certificate for every aircraft he's using and must have it displayed visible to boarding passengers

(d) Federally certified interstate air carrier would also have to get the intrastate certification from the state for each aircraft they are going to use on their intrastate service

(e) If an aircraft was used before getting the certificate, it could be revoked or suspended

(f) Provides for a type of grandfather clause for people now operating under ATC authorization. They would not have to certify their aircraft until the renewal dates on their insurance policies.

This provision was added as an attempt to avoid a flood of people to the department for their renewal - it would rather allow for the process to be staggered.

ARTICLE 6. MOTOR VEHICLE SAFETY INSPECTIONS