

ALASKA LEGISLATURE COMMITTEE FILES 1985-1986 86/2

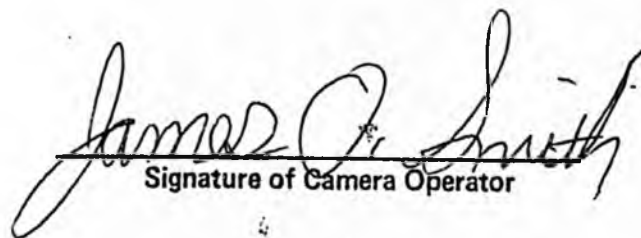
4416 STRA HB 111 (FILE 2) - HB 181 86/2

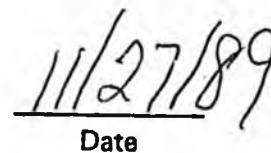


# RECORDS CERTIFICATION



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File 2

# Alaska State Legislature

## Senate Transportation Committee



Sen. John B. (Jack) Coghill, Chairman  
Sen. Paul Fischer, Vice-chairman  
Sen. Mitch Abood  
Sen. Jan Fairs  
Sen. Joe Josephson

Douch V  
Juneau, Alaska 99811

February 5, 1986

TO: All Committee Members  
FROM: Committee Staff  
RE: LSR&T packets

Today you will find in your packets new information requested at the previous hearing on CS HB 111 (tran) am.

Enclosed are the following:

1. A draft Committee Substitute for CS HB 111 (tran) am.
2. A memorandum on the funding formula.
3. An explanatory letter from Dep. Comm. Warren Sparks.
4. A listings of cities effected under the different scenarios.
5. A breakdown of LSR&T allocations reflecting different scenarios.

Please bring this packet and the original packet from the January 29 meeting. Thank you.

February 5, 1986

TO: All Members of the Transportation Committee

FROM: Committee Staff

RE: LSR&T Funding formula

Sec. 19.30.131. Allocation of Funds.

Subsection (a) Commissioner allocates local service roads monies among the five allocation districts. The funds allotted are based on the ratio formula; one half of the funds are based on allocation district population (ADP) compared to the total state population (TPS); one half is based on a comparison of the allocation district area (ADA) and the total area of the state (TAS).

$$\frac{1}{2} \times \frac{ADP}{TPS} + \frac{1}{2} \times \frac{ADA}{TAS}$$

Subsection (b) Commissioner further allocates the above amounts in each allocation district (5) to each borough within each district. The funds appropriated to the boroughs are based on a formula derived from; a ratio of one half of the organized borough's area (OBA) compared with the total allocation district area (ADA); and one half based on a ratio of the organized borough population (OBP) to the allocation district population (ADP).

$$\frac{1}{2} \times \frac{OBA}{ADA} + \frac{1}{2} \times \frac{OBP}{ADP}$$

Subsection (c) Commissioner further allocates the above amounts funds to any organized borough and to any home rule city within the organized borough. The funds appropriated to home rule cities in an organized borough is similar to the above ratios. One half of the home rule area (HRA) compared with organized borough's area (OBA); one half of the home rule population (HRP) to the organized borough's population (OBP).

*Memo on Funding Formula/Cities Effected*

$\frac{1}{2}$      $\frac{\text{HRA}}{\text{OBA}}$      $\frac{1}{2}$      $\frac{\text{HRP}}{\text{OBP}}$

Subsection (d) The sums not allocated to the organized boroughs in (b) and (c) are allocated in the unorganized boroughs on a competitive basis between all communities, organized or unorganized.

February 5, 1986

TO: All Transportation Committee members

FROM: Committee Staff

RE: Cities effected by restructuring of formula

A. Removing First Class & Home Rule Cities in the  
Unorganized boroughs

Unorganized Borough 1 V (S)

Dillingham  
King Cove  
St. Mary's  
Sand Point  
Unalaska

Kenai Borough

Homer  
Soldotna  
Seldovia

Unorganized Borough V

City of Cordova

North Slope Borough

Barrow

Unorganized Borough 2

Nenana  
Tanana

Haines Borough

Haines

Unorganized Borough IV (N)

Nome  
Galena

Unorganized Borough V (N)

City of Valdez

Unorganized Borough III

Hoonah  
Hydaburg  
Kake  
Klawack  
Pelican  
Skagway  
Craig  
Yakutat

February 5, 1986

TO: All Committee Members  
FROM: Committee Staff  
RE: Cities effected by restructuring of formula  
C. Removing All First Class Cities

Kenai Borough

Homer  
Soldotna  
Seldovia

Unorganized Borough IV S

Dillingham  
King Cove  
St. Mary's  
Sand Point  
Unalaska

Unorganized Borough II

Tanana

North Slope Borough

Barrow

Unorganized Borough IV N

Nome  
Galena

Haines Borough

Haines

Unorganized Borough III

Hoonah  
Kake  
Pelican  
Craig

Hydaburg  
Klawack  
Skagway  
Yakutat

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH Z  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3900

January 31, 1986

The Honorable Jack Coghill  
Senator  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

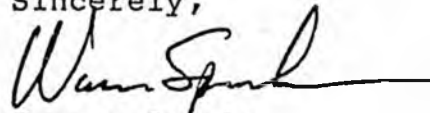
Dear Senator Coghill:

In order to view the ramifications of the proposed changes to the funds distribution formulae in the LSR&T Act, I have prepared the following comparisons based on a one million dollar appropriation.

- A. Distribution reflecting your proposal at the Senate Transportation Committee hearing January 29, 1986, which deletes the direct allocation to all first-class cities and the home-rule cities which are not within the boundaries of an organized borough. Projects for these local governments will have to compete with all cities and villages within their respective unorganized borough.
- B. This distribution reflects CSHB 111 version which deletes only the first-class cities, returning the distribution method to pre-1981.
- C. Distribution of funds by deleting direct allocations to any city, whereby all cities and villages within their respective allocation district would compete for funds.

I am also enclosing the distribution of LSR&T funds presently in use and a map reflecting the allocation districts for your use.

Sincerely,



Warren Sparks  
Deputy Commissioner

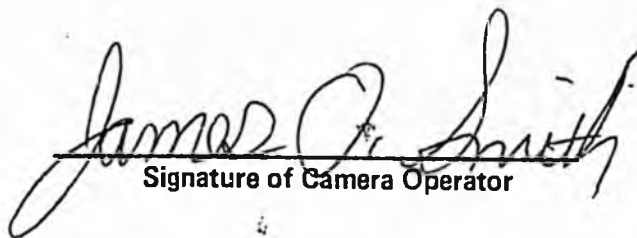
Enclosure

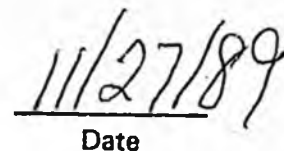
cc: Charles Karella, Chief, Plans and Programs  
Susan Fleischhauer, Legislative Liaison



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Signature of Camera Operator

  
Date

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ALASKA AIR CARRIERS ASSOCIATION  
TESTIMONY BEFORE  
THE SENATE TRANSPORTATION COMMITTEE  
FEBRUARY 6, 1986

Chairman Coghill and members of the Senate Transportation Committee, my name is Reed Stoops and I am here today to discuss the implementation of House Bill 133, which was passed last year. We would like to thank you for your cooperation in working with us on the legislation last year, and for your continuing interest in its implementation.

First, I will briefly comment on the Interim Committee report which addressed points raised in the letter of intent which accompanied HB 133. As you are aware, 1985 was not a very good year in terms of air safety. We had a total of 43 accidents, in which there were 17 fatalities. While this was a higher number of accidents than experienced during the last three years, it is below the number of accidents and fatalities in 1980-1981.

In trying to determine whether additional safety related requirements are necessary to insure improved safety in the air industry, we have to concur with the findings of the interim report that there is insufficient statistical analysis at this time to support the need for new requirements. We do, however, feel that we should try to improve accident data in 1986, as there could well prove to be a demonstrable need for higher standards of flight operations.

As to the need for additional pilot training, we feel strongly that this is vital to improved safety. The Alaska Aviation Safety Foundation has very recently completed a set of lesson plans designed specifically for Alaskan conditions. These are now being presented to pilots in communities throughout the State. With continued support from the State for this training effort, we hope to reduce air accidents through this voluntary program.

The implementation of HB 133 through the Department of Commerce and Economic Development has been acceptable administratively, but suffers from lack of enforcement. Shortly after passage of the bill last year, we found ourselves in disagreement with the Department over the enforceability of the provisions requiring a certificate of compliance for minimum insurance levels. An attorney general's opinion was requested last summer, but to our knowledge no written opinion has yet been completed. In the absence of enforcement, some air carriers are able to operate without the minimum insurance levels adopted in HB 133.

In order to correct this situation, we have reviewed suggested amendments to HB 133 prepared by the Department of Commerce, and wish to endorse several of them in order to assure that the bill will be enforced. I have prepared our recommendations, and enclose them for the committee's consideration, along with justification for each.

We urge you to prepare legislation which incorporates our suggestions, which we view as technical amendments, and which leaves alone the more controversial provisions of HB 133 such as the minimum insurance levels. We also endorse the Governor's budget request for additional administrative support to the Division of Weights and Measures to enforce HB 133.

Thank you for the opportunity to appear before you today.

Amendment 1 to Sec. 42.30.200(e) increases the size and severity of a fine to an air carrier who flies passengers for hire without first securing the minimum insurance levels required by HB 133 (\$150,000 per seat). Without a more strict penalty, carriers may find it cheaper to ignore the law than to comply.

Amendment 2 to Sec. 42.30.225(b) allows the insurance "certificate of compliance" to be posted in a visible location other than in the aircraft. This would be particularly helpful to the jet carriers which often interchange planes, thus making it difficult to post certificates in the aircraft. It would also reduce the cost of a certificate from \$50 to \$25.

Amendment 3 to Sec. 42.30.225(c) specifically authorizes the Department of Commerce to stop aircraft from carrying passengers for hire until they comply with HB 133.

Amendment 4 to Sec. 42.30.225(d) provides for a specific penalty for a carrier who fails to obtain a certificate of insurance from the State.

Amendment 5 to Sec. 42.30.380(3) clarifies the definition of aircraft to include rotor devices (helicopters).

# Study seeks to pinpoint factors in Alaska air crash

By CHAS GIGER  
Daily News Service

Alaska pilots who fly unfamiliar aircraft, land in Juneau, or fly on hunting trips may be taking a greater risk than they know.

According to statistics compiled by the state Epidemiology Office, about 46 percent of fatal crashes during a 19-year period involved pilots with less than 50 hours of experience in the plane they were flying. About 31 percent of accidents in the Juneau area, and about 35 percent of hunting-related crashes were killers.

As part of a continuing

study, the office has analyzed many other causes of Alaska aircraft crashes from 1963 to 1981 and put numbers to some of the specific dangers of Alaska aviation.

Although the numbers are more suggestive than definitive, said State Epidemiologist John Middaugh, they may help pinpoint factors that need more study — and eventually lead to safety measures by aircraft manufacturers and regulatory agencies.

Begun in 1983, the study analyzes Federal Aviation Administration and National Transportation Safety Board crash data for 3,887 general

aviation accidents.

The study identified 12,426 risk factors organized them in categories. The threats most often common accidents were pilot weather and terrain.

Some of the specific factors analyzed time of year, location aircraft, weather or drug and alcohol carbon monoxide blood.

According to the crashes of private showed a lower fatal

See Page B-

## Crash study

Continued from Page B-1

1.2 percent) than air taxi crashes (15.5 percent). The air taxi crashes were more often caused by weather conditions and ground personnel, while private aircraft accidents were more often the result of pilot error or hazardous terrain.

The study said the total number of flying hours, and total number of hours in the model of aircraft that crashed, were of "striking importance."

"Analysis . . . strongly suggests that experienced pilots are at high risk of accidents when flying a new aircraft regardless of total numbers of hours of aviation experience," the study said.

Thirteen out of 309 Alaska pilots involved in crashes — about 10 percent — had blood

## Seminars aimed at flying safety in Alaska

Continued from Page B-1

seminar already has been held in Bethel.

Next fall's seminars will be presented by longtime pilots with experience in the various subject areas, Zundel said, and will either be free or cost very little.

One of the lessons, called "Flight Techniques: Area Specific," consists of eight different seminars, each tailored to a different part of the state.

levels of the poisonous gas carbon monoxide that could have impaired their flying ability, the study says. Nine of the 309 pilots had drugs in their bloodstreams, and 36 — about 12 percent — had some level of alcohol.

The study also found:

- The proportion of fatal crashes to total accidents was highest in and near Juneau,

followed by Ketchikan, Palmer, Cordova and Bettles.

- Flying associated with hunting was more likely to result in fatal accidents. Alaska NTSB chief Jim Michelangelo said this may be because hunters tend to overload their aircraft with game.

- Pilot error was cited in about 41 percent of all accidents. Inadequate preflight

The other eight lessons are entitled:

- "Flight Techniques in Adverse Weather."
- "Pilotage and Navigation in Alaska."
- "Mountain Flying — General and Specific Pass Flying."
- "Fuel Handling and Management."
- "Cold Weather Operations."
- "Gathering and Interpreting Weather Information and Trends."
- "Landings and Takeoffs."

preparation, failure to maintain or reach flying speed, and aircraft overload were the most common specific causes.

- Passengers in helicopters that crash are more likely to get hurt than those in fixed-wing aircraft.

- Night flying was a cause of a significant number of deaths.

# Nothing short of total safety will do

The Federal Aviation Administration has a lengthy record of achievement in Alaska few federal agencies can match. But the U.S. Department of Transportation's recent draft audit of the Alaska Region's Aviation Safety Enforcement Program raises some serious questions about FAA practices that have yet to be answered adequately.

Auditors discovered that the FAA was not inspecting Alaska air carriers with required frequency. They also revealed a lack of standard inspection procedures, a records management system that had fallen into disuse, and a pattern of reduced sanctions and penalties against carriers found in violation of air safety regulations. In response, an Alaska FAA spokesman charged the auditors were mistaken and misguided — but he would not release a copy of the FAA's official reply to the auditors.

The FAA audit is particularly troubling given one of the records that is available: the Alaska aviation accident record. According to the National Transportation Safety Board, there were 26 accidents involving air taxi operators between Oct. 1, 1984 and April 18, 1985. Seven of these accidents produced fatalities — 15 people were killed. That's a painful record.

Gone are the days when bush pilots routinely confronted danger and saved passengers' lives with aviation miracles. Today, Alaska commercial aviation is a business, not a form of wilderness adventure.

Although most Alaskan carriers surely operate in a responsible manner, Alaskans deserve continued assurance they can fly with confidence. Planes must be safe; pilots must prove they can do the job; companies must operate in a safe manner. There is no excuse for anything less than a premium on safety from the entire aviation industry. And the FAA must be there to see that regulations and requirements protecting the public are met. Nothing less than the highest standards — and enforcement levels — will do.

## Seminars designed for flying conditions in state

By CHRIS GEIGER  
Daily News reporter

Pilots in Georgia generally don't have to worry about whiteout conditions, ice freezing into gel, or wings that get so cold they fall off.

But Alaska pilots have more to contend with, and that was part of the inspiration for a special curriculum on Alaska aviation developed by the Alaska Aviation Safety Foundation.

Under contract from the legislature, the foundation completed the curriculum a month ago, and if all goes well will begin presenting its series of nine safety seminars

in October. Videotapes of the seminars eventually will be distributed all over the state, a foundation spokesman said.

"The terrain and climate here are so different," said Dave Zundel, vice president of the foundation. "People need to know more specifics about what to expect."

The foundation, an educational arm of the Alaska Air Carriers Association, began developing the lesson plans a year-and-a-half ago, after studies by federal and private agencies indicated a need for such educational efforts, Zundel said. One free preliminary

See Page B-3, SEMINARS

1           Sec. 42.30.200. AIR CARRIER FINANCIAL RESPONSIBILITY. (a) A person  
2 who carries passengers or freight for commercial purposes intrastate in an  
3 aircraft shall procure and maintain security in the following minimum  
4 amounts:

5           (1) Liability for bodily injury or death of persons:

6                     A limit of at least \$150,000 for any one person in any one  
7 occurrence and a limit for each occurrence in any one aircraft of at least  
8 an amount equal to the sum produced by multiplying one hundred fifty  
9 thousand dollars (\$150,000) by seventy five percent (75 percent) of the  
10 total rated seating capacity of the aircraft. [\$150,000 PER SEAT FOR  
11 BODILY INJURY OR DEATH IN A SINGLE OCCURRENCE; AND]

12           (2) Liability for loss of or damage to property:

13                     A limit of at least one hundred thousand dollars (\$100,000)  
14 for each occurrence. [\$100,000 FOR PROPERTY DAMAGE IN A SINGLE OCCURRENCE]

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

17                     (1) a policy or certificate of insurance issued by an insurer  
18 acceptable to the department; or

19                     (2) a bond of a surety company licensed to write surety bonds in  
20 the state; or

21                     (3) evidence accepted by the department, showing ability to  
22 self-insure; or

23                     (4) other security approved by the department.

24           (c) The department may authorize department personnel to enforce this  
25 section and may adopt procedural regulations necessary to implement this  
26 section.

27  
28                     Commerces Proposed Changes to  
                      AS 42.30.200, .205, 380 - (Air  
                      Carrier Financial Responsibility)

1 (d) A policy of insurance, surety bond, or other form of security may  
2 not be cancelled on less than 30 days written notice to the department.  
3 This requirement must be clearly stated in the policy or endorsement for an  
4 insurance policy submitted as proof of financial responsibility under AS  
5 42.30.225(a)(1). The 30 day notice period is measured from the date on  
6 which the department receives notice.

7 (e) A person who violates [(a) OF] this section is guilty of a class  
8 [B] A misdemeanor and is punishable by a fine of not less than [\$500]  
9 \$1,000 or more than [\$1,000] \$5,000.

10  
11 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS. (a) A  
12 person may not use an aircraft in air commerce before obtaining an annual  
13 certificate of compliance for that aircraft from the department. The  
14 department shall issue or renew a certificate of compliance upon  
15 application and presentation of

16 (1) proof of financial responsibility required under AS  
17 42.30.200;

18 (2) proof of compliance with Federal Aviation Administration  
19 requirements, and, where applicable, federal certification for scheduled  
20 airline service.

21 (b) The annual fee for a certificate of compliance is \$50. The  
22 certificate is valid for a period of 12 months following the date of  
23 certification. The certificate shall be displayed [ON THE AIRCRAFT] so  
24 that it [IS] is visible to boarding passengers.

25 (c) The department may investigate complaints or violations of this  
26 section and conduct other investigations that the department considers  
27 appropriate and advisable to develop information on possible violations of  
28 AS 42.30.200 or AS 42.30.225 and may, upon completion of this investigation

1 where a violation of AS 42.30.200(a) exists, issue a stop use order. [USE  
2 OF AN AIRCRAFT IN AIR COMMERCE BEFORE OBTAINING A CERTIFICATE OF COMPLIANCE  
3 REQUIRED UNDER (a) OF THIS SECTION MAY BE CAUSE FOR DENIAL OF THE  
4 CERTIFICATE]

5 (d) A person who violates this section is guilty of a class B  
6 misdeemeanor and is punishable by a fine of not less than \$500 or more than  
7 \$1,000. [A PERSON WHO HAS OBTAINED A CERTIFICATE TO USE AN AIRCRAFT IN AIR  
8 COMMERCE FROM THE ALASKA TRANSPORTATION COMMISSION BEFORE THE EFFECTIVE  
9 DATE OF THIS ACT IS NOT REQUIRED TO OBTAIN A CERTIFICATE OF COMPLIANCE  
10 UNDER (a) OF THIS SECTION UNTIL THE DATE THE INSURANCE POLICY FOR THE  
11 AIRCRAFT IS RENEWED]

12 (e) The department may authorize department personnel to enforce this  
13 section and may adopt procedural regulations necessary to implement this  
14 section.

15  
16 Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

17 (1) "air carrier" means a person undertaking to engage in air  
18 commerce, whether directly or indirectly, or by lease, contract, or any  
19 other arrangement, and whether over regular or irregular routes;

20 (2) "air commerce" means carriage by aircraft of persons or  
21 freight for commercial purposes or hire in intrastate commerce, including  
22 the carriage by aircraft of persons or freight that move partly by aircraft  
23 and partly by other forms of transportation;

24 (3) "aircraft" means a propeller, rotor or jet powered device  
25 used or designed for flight in the air;

26 (4) "commercial purposes" means activities for which the persons  
27 receives direct monetary compensation and does not include activities  
28 incidental to and done in furtherance of the person's primary business;

1                   (5) "department" means the Department of Commerce and Economic  
2   Development;

3                   (6) "freight" means commodities, articles, and cargo, of  
4   whatever nature or value, excluding garbage and trash.

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Introduced: 1/31/86  
Referred: State Affairs  
and Labor and Commerce

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 380

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to commercial vehicle financial  
7 responsibility; and providing for an effective date."

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

9 \* Section 1. AS 28.33.010(a) is amended to read:

10 (a) A person who carries passengers or freight for hire intra-  
11 state in a commercial motor vehicle or a person who carries freight in  
12 a motor vehicle for commercial purposes, or a person who rents or  
13 leases a motor vehicle for the use of another to carry freight shall  
14 procure and maintain security [IN THE FOLLOWING MINIMUM AMOUNTS:

15 (1) \$200,000] for property damage, [IN A SINGLE OCCURRENCE;  
16 (2) \$500,000 FOR] bodily injury, or death, in a single  
17 occurrence, in minimum amounts set by the department in  
18 regulations adopted under this chapter.

19 \* Sec. 2. AS 28.33.010(c) is amended to read:

20 (c) The department may authorize department personnel to enforce  
21 this section and shall [MAY] adopt [PROCEDURAL] regulations necessary  
22 to implement this section, including regulations to set minimum secu-  
23 urity amounts under (a) of this section.

24 \* Sec. 3. Section 2 of this Act takes effect immediately in accordance  
25 with AS 01.10.070(c).

26 \* Sec. 4. Section 1 of this Act takes effect on the effective date of  
27 regulations adopted under AS 28.33.010(c), amended in sec. 2 of this Act,  
28 which set the minimum security amounts required for commercial vehicles.

Offered: 5/12/85

Original sponsor: Rules/Governor

1 IN THE HOUSE BY THE CONFERENCE COMMITTEE  
2 CONFERENCE CS FOR HOUSE BILL NO. 133  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to transportation safety and finan-  
7 cial responsibility; and providing for an effective  
8 date."

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

10 \* Section 1. AS 28.10.041(a) is amended by adding a new paragraph to  
11 read:

12 (9) the vehicle is without a certificate of inspection  
13 required under AS 28.32.010.

14 \* Sec. 2. AS 28.15.041 is amended by adding a new subsection to read:

15 (c) A person may not drive a commercial motor vehicle until the  
16 person applies for and is issued a license for that purpose under (a)  
17 of this section. The department may not issue a license under this  
18 subsection unless the applicant is at least 19 years of age, has held  
19 a valid driver's license at least one year, and has successfully  
20 completed all required driving tests and written and physical examina-  
21 tions. In this subsection, "commercial motor vehicle" has the meaning  
22 given in AS 28.32.900.

23 \* Sec. 3. AS 28 is amended by adding a new chapter to read:

24 CHAPTER 32. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS.

25 Sec. 28.32.010. COMMERCIAL MOTOR VEHICLE SAFETY INSPECTIONS. A  
26 commercial motor vehicle may not be operated after January 1, 1986  
27 without a certificate of inspection. An owner of a commercial motor  
28 vehicle shall renew a certificate of inspection at least semi-annually  
29 at an official inspection station under AS 28.32.030. The owner may

1 renew a certificate of inspection at any time during the office hours  
2 of the inspection station. An owner of a commercial motor vehicle  
3 shall display a current sticker of inspection visible from outside the  
4 vehicle in a location determined by the division.

5 Sec. 28.32.020. EXEMPTIONS. A commercial motor vehicle is  
6 exempt from the requirements of AS 28.32.010 if it is

7 (1) owned and operated by the federal government unless the  
8 vehicle is used to transport property of the general public for com-  
9 pensation in competition with other persons who own or operate a  
10 commercial motor vehicle subject to this chapter, and except to the  
11 extent regulation of vehicles operated by the federal government is  
12 permitted by federal law;

13 (2) used exclusively to transport ranch and farm products  
14 other than bulk milk; or

15 (3) customarily and historically used for commercial  
16 purposes for less than 20 hours per month.

17 Sec. 28.32.030. OFFICIAL COMMERCIAL MOTOR VEHICLE INSPECTION  
18 STATIONS. (a) A person may not operate an official commercial motor  
19 vehicle inspection station without a permit from the division. The  
20 division shall approve an application for permit to operate an in-  
21 spection station if

22 (1) the division determines the inspection station has  
23 proper equipment and competent personnel; and

24 (2) a commercial motor vehicle inspector certified under  
25 AS 28.32.040 is employed at the inspection station.

26 (b) After the division approves an application for a permit to  
27 operate an official inspection station under (a) of this section, it  
28 shall provide the applicant with a permit and certificates of inspec-  
29 tion.

1 (c) Upon receipt of a permit from the division under (b) of this  
2 section, the operator of an official commercial motor vehicle inspec-  
3 tion station shall post the permit in a conspicuous place at the  
4 location designated by the division.

5 (d) The division may enter the premises of the operator of an  
6 official commercial motor vehicle inspection station during the  
7 station's business hours to inspect the work of a certified commercial  
8 motor vehicle inspector or to determine if the operator continues to  
9 meet the requirements of this section.

10 (e) The division shall suspend or revoke a permit of an operator  
11 of an official commercial motor vehicle inspection station if the  
12 operator fails to meet the requirements of this section.

13 (f) Upon notice of suspension or revocation of a permit under  
14 (e) of this section, the operator of an official commercial motor  
15 vehicle inspection station shall immediately terminate all inspection  
16 activities and, on demand by the division, return the permit and all  
17 unissued certificates of inspection. The division shall issue a  
18 receipt for all returned certificates of inspection.

19 (g) If a permit is suspended or revoked under (e) of this sec-  
20 tion, the division shall give the holder of the permit a hearing  
21 within 10 days after receipt of a written request filed with the  
22 division within 30 days after suspension or revocation.

23 (h) A permit to operate an official commercial motor vehicle  
24 inspection station may not be assigned, transferred, or used at a  
25 location other than the location designated by the division.

26 Sec. 28.32.040. CERTIFICATION OF COMMERCIAL MOTOR VEHICLE IN-  
27 SPECTORS. (a) A person may not conduct a commercial motor vehicle  
28 inspection at an official inspection station under AS 28.32.030 unless  
29 certified as a commercial motor vehicle inspector by the division.

1           (b) The division may suspend or revoke the certification issued  
2 to a commercial motor vehicle inspector under (a) of this section if  
3 the commercial motor vehicle inspector improperly conducts inspections  
4 or fails to comply with a provision of this section.

5           (c) If a certificate is revoked or suspended under (b) of this  
6 section the division shall give a commercial motor vehicle inspector a  
7 hearing within 10 days after the receipt of a written request filed  
8 with the commissioner within 30 days after revocation or suspension.

9           Sec. 28.32.050. ISSUANCE OF CERTIFICATE OF INSPECTION. (a) A  
10 person operating an official commercial motor vehicle inspection  
11 station shall issue a certificate of inspection to the owner of a  
12 commercial motor vehicle after determining that the commercial motor  
13 vehicle is in a safe and mechanically sound condition.

14           (b) A person operating an official commercial motor vehicle  
15 inspection station shall keep a record of each inspection performed at  
16 the station. The division may audit the records of an official in-  
17 spection station at any time.

18           Sec. 28.32.060. FALSELY REPRESENTING TO BE AN OFFICIAL STATION.  
19 (a) A person may not represent a place as an official commercial  
20 motor vehicle inspection station unless the station is operating under  
21 a valid permit issued by the division under AS 28.32.030.

22           (b) A person may not issue a certificate of inspection under  
23 AS 28.32.050 unless the person holds a valid permit under AS 28.-  
24 32.030.

25           Sec. 28.32.070. COUNTERFEIT CERTIFICATES OF INSPECTION. (a) A  
26 person may not make, issue, or knowingly use an imitation or counter-  
27 feit of an official certificate of inspection.

28           (b) A person may not knowingly display or issue a certificate  
29 of inspection on a commercial motor vehicle unless the commercial

1 motor vehicle has met the requirements of AS 28.32.050(a).

2 Sec. 28.32.080. DUTIES OF COMMISSIONER. The commissioner of  
3 public safety shall adopt procedural regulations appropriate to  
4 achieve compatibility with other western states and procedural  
5 regulations necessary to implement this chapter.

6 Sec. 28.32.090. VIOLATION A MISDEMEANOR. A person who violates  
7 a provision of this chapter is guilty of a class B misdemeanor.

8 Sec. 28.32.900. DEFINITIONS. In this chapter,

9 (1) "commercial motor vehicle" means a vehicle used by the  
10 owner or another person for commercial purposes upon a highway or  
11 vehicular way with a daily traffic volume greater than 499 that is a  
12 part of the state highway system or is connected by another highway or  
13 vehicular way to the state highway system, if the vehicle is

14 (A) a school bus;

15 (B) a state or local government vehicle of more than  
16 10,000 pounds unladen gross weight;

17 (C) a truck or bus of more than 10,000 pounds unladen  
18 gross weight; or

19 (D) a trailer of 5,000 pounds or more unladen gross  
20 weight attached to a vehicle described in (C) of this paragraph;

21 (2) "commercial purposes" means activities for which a  
22 person receives direct monetary compensation or activities for which a  
23 person receives no direct monetary compensation but are incidental to  
24 and done in furtherance of the person's primary business;

25 (3) "division" means the division of motor vehicles, De-  
26 partment of Public Safety.

27 \* Sec. 4. AS 28 is amended by adding a new chapter to read:

28 CHAPTER 33. COMMERCIAL MOTOR VEHICLE FINANCIAL RESPONSIBILITY.

29 Sec. 28.33.010. FINANCIAL RESPONSIBILITY. (a) A person who

1 carries passengers or freight for hire intrastate in a commercial  
2 motor vehicle or a person who carries freight in a motor vehicle for  
3 commercial purposes, or a person who rents or leases a motor vehicle  
4 for the use of another to carry freight shall procure and maintain  
5 security in the following minimum amounts:

6 (1) \$200,000 for property damage in a single occurrence;

7 (2) \$500,000 for bodily injury or death in a single occur-  
8 rence.

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

11 (1) a policy or certificate of insurance issued by an  
12 insurer acceptable to the department; or

13 (2) a bond of a surety company licensed to write surety  
14 bonds in the state; or

15 (3) evidence accepted by the department, showing ability to  
16 self-insure; or

17 (4) other security approved by the department.

18 (c) The department may authorize department personnel to enforce  
19 this section and may adopt procedural regulations necessary to imple-  
20 ment this section.

21 (d) A policy of insurance, surety bond, or other form of securi-  
22 ty may not be cancelled on less than 30 days' written notice to the  
23 department. This requirement must be clearly stated in the policy or  
24 endorsement for an insurance policy submitted as proof of financial  
25 responsibility under AS 42.30.225(a)(1). The 30-day notice period is  
26 measured from the date on which the department receives notice.

27 (e) A person who violates (a) of this section is guilty of a  
28 class B misdemeanor and is punishable by a fine of not less than \$500  
29 or more than \$1,000.

1 (f) In this section "freight" means commodities, articles, and  
2 cargo, of whatever nature or value.

3 \* Sec. 5. AS 42.30.200 is amended to read:

4 Sec. 42.30.200. AIR CARRIER FINANCIAL RESPONSIBILITY. (a) A  
5 person who carries passengers or freight for commercial purposes  
6 [HIRE] intrastate in an aircraft shall procure and maintain security  
7 in the following minimum amounts:

8 (1) \$150,000 per seat for bodily injury or death in a  
9 single occurrence; and

10 (2) \$100,000 for property damage in a single occurrence [AN  
11 AMOUNT DETERMINED BY THE DEPARTMENT OF PUBLIC SAFETY AS NECESSAR FOR  
12 THE REASONABLE PROTECTION OF THE PUBLIC AGAINST DAMAGES OR INJURY  
13 CAUSED BY THE PERSON].

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

16 (1) a policy or certificate of insurance issued by an  
17 insurer acceptable to the department; or

18 (2) a bond of a surety company licensed to write surety  
19 bonds in the state; or

20 (3) evidence accepted by the department, showing ability to  
21 self-insure; or

22 (4) other security approved by the department.

23 (c) The department may authorize department personnel [ENFORCE-  
24 MENT OFFICERS] to enforce this section and may adopt procedural regu-  
25 lations necessary to implement this section.

26 \* Sec. 6. AS 42.30.200 is amended by adding new subsections to read:

27 (d) A policy of insurance, surety bond, or other form of secur-  
28 ity may not be cancelled on less than 30 days' written notice to the  
29 department. This requirement must be clearly stated in the policy or

1 endorsement for an insurance policy submitted as proof of financial  
2 responsibility under AS 42.30.225(a)(1). The 30-day notice period is  
3 measured from the date on which the department receives notice.

4 (e) A person who violates (a) of this section is guilty of a  
5 class B misdemeanor and is punishable by a fine of not less than \$500  
6 or more than \$1,000.

7 \* Sec. 7. AS 42.30 is amended by adding new sections to read:

8 Sec. 42.30.225. CERTIFICATION OF COMPLIANCE OF AIR CARRIERS.

9 (a) A person may not use an aircraft in air commerce before obtaining  
10 an annual certificate of compliance for that aircraft from the depart-  
11 ment. The department shall issue or renew a certificate of compliance  
12 upon application and presentation of

13 (1) proof of financial responsibility required under  
14 AS 42.30.200;

15 (2) proof of compliance with Federal Aviation Administra-  
16 tion requirements, and, where applicable, federal certification for  
17 scheduled airline service.

18 (b) The annual fee for a certificate of compliance is \$50. The  
19 certificate is valid for a period of 12 months following the date of  
20 certification. The certificate shall be displayed on the aircraft so  
21 that it is visible to boarding passengers.

22 (c) Use of an aircraft in air commerce before obtaining a cer-  
23 tificate of compliance required under (a) of this section may be cause  
24 for denial of the certificate.

25 (d) A person who has obtained a certificate to use an aircraft  
26 in air commerce from the Alaska Transportation Commission before the  
27 effective date of this Act is not required to obtain a certificate of  
28 compliance under (a) of this section until the date the insurance  
29 policy for the aircraft is renewed.

1           (e) The department may authorize department personnel to enforce  
2 this section and may adopt procedural regulations necessary to imple-  
3 ment this section.

4           Sec. 42.30.380. DEFINITIONS. (a) In AS 42.30.200 - 42.30.380,

5           (1) "air carrier" means a person undertaking to engage in  
6 air commerce, whether directly or indirectly, or by lease, contract,  
7 or any other arrangement, and whether over regular or irregular  
8 routes;

9           (2) "air commerce" means carriage by aircraft of persons or  
10 freight for commercial purposes or hire in intrastate commerce, in-  
11 cluding the carriage by aircraft of persons or freight that move  
12 partly by aircraft and partly by other forms of transportation;

13           (3) "aircraft" means a propeller or jet-powered device used  
14 or designed for flight in the air;

15           (4) "commercial purposes" means activities for which the  
16 person receives direct monetary compensation and does not include  
17 activities incidental to and done in furtherance of the person's  
18 primary business;

19           (5) "department" means the Department of Commerce and  
20 Economic Development;

21           (6) "freight" means commodities, articles, and cargo, of  
22 whatever nature or value, excluding garbage and trash.

23 \* Sec. 8. AS 44.33.020 is amended by adding a new paragraph to read:

24           (27) implement the safety and financial responsibility  
25 requirements for air carriers under AS 42.30.200 - 42.30.380.

26 \* Sec. 9. This Act takes effect immediately in accordance with AS 01.-  
27 10.070(c).

# Alaska State Legislature

## Senate Transportation Committee



Sen. John B. (Jack) Coghill, Chairman  
Sen. Paul Fischer, Vice-chairman  
Sen. Mitch Abood  
Sen. Jan Finks  
Sen. Joe Josephson

Douch V  
Juneau, Alaska 99811

### MEMORANDUM

To: Committee Members  
From: Committee Staff *BL*  
Re: Meeting of February 5, 1986

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Today the committee will be taking up a discussion of problems and potential solutions regarding the enforcement of what was known last year as HB 133. Commissioner Sundberg and Joe Swanson of DCED, Division of Measurement Standards, will be giving testimony on any problems with enforcement of the new statutes that they have run into.

Included in this packet is a copy of the Conference Committee Substitute passed by the House and Senate Conference Committee on HB 133 last year, a "clean up" bill introduced by the Governor's office, Commerce's proposed changes to the statutes, and a letter by the Insurance Company of North America to a company in Soldotna in response to the passage of HB 133.

We will also be continuing work on CSHB 111, please bring both 111 packets for that discussion, thank you.

# Alaska State Legislature

## Senate Transportation Committee



Sen. John B. (Jack) Coghill, Chairman  
Sen. Paul Fischer, Vice-chairman  
Sen. Mitch Abood  
Sen. Jan Fuks  
Sen. Joe Josephson

Douch V  
Juneau, Alaska 99811

February 4, 1986

TO: Senator John B. Coghill

FROM: Elizabeth Ziegler

RE: HB 133 positions

Tomorrow the following groups will be attend the committee meeting and voice their concerns regarding hb133.

This memo attempts to outline what those positions are, so you will be prepared.

Joe Swanson--has submitted proposed legislation regarding air carrier financial responsibility, enforcement and adding rotor craft to the definition of aircraft.

Reed Stoops--Air Carriers will also say that the portion dealing with enforcement of air certificate of compliance needs more teeth.

Comm. Sundberg and Jim Vaden--Public Safety will just talk about how much money is needed to implement the truck inspection safety program. They will report how the insurance certificate program went since its implementation last fall.

Alaska Trucking Assn.--will testify about how difficult it is to get insurance in the proscribed amounts of the bill.

Gov's office--no word they are coming, but they have introduced SB 380 to allow the dept. to promulgate regulations to deal with the insurance problem.

5, 1986

TO: SENATOR COGHILL  
FROM: EZ  
RE: TODAY'S MEETING

A. TODAY'S FIRST ORDER OF BUSINESS IS THE OVERVIEW OF WHAT HAS HAPPENED TO HB133 SINCE ITS PASSAGE LAST MAY.

~~1.~~ FIRST CALL COMMISSIONER SUNDBERG TO TESTIFY

~~2.~~ ASK SUNDBERG WHAT HAS BEEN IMPLEMENTED BY PUBLIC SAFETY SINCE PASSAGE.

~~3.~~ ASK HOW THE PROGRAM HAS BEEN SET UP, I.E. THE INSURANCE CERTIFICATES AND WHAT IF ANYTHING HAS BEEN ACCOMPLISHED ON THE TRUCK SAFETY INSPECTION PLAN.

~~4.~~ ASK SUNDBERG WHAT THE DEPARTMENT'S FISCAL NOTE IS ON THE IMPLEMENTATION OF HB 133.

~~5.~~ ASK SUNDBERG HOW SOON WOULD THE GOVERNOR'S BUDGET MONIES WOULD BE AVAILABLE TO THE DEPARTMENT.

B. NEXT CALL JOE SWANSON, DIRECTOR, DIVISION OF MEASUREMENT STANDARDS, COMMERCE AND ECONOMIC DEVELOPMENT.

~~1.~~ ASK JOE ABOUT WHAT MEASUREMENT STANDARDS IS DOING ABOUT THE AIR CARRIER CERTIFICATES OF COMPLIANCE PROGRAM IN HB133.

~~2.~~ ASK JOE IF THERE ARE ANY PROBLEMS WITH THE BILL

~~6.~~ NEXT CALL THE AIR CARRIERS

~~1.~~ REED STOOPS WILL BE THERE.

2. ASK REED HOW THE AIR CARRIER INDUSTRY VIEWS HB 133 AND ANY CONCERNS.

D. NEXT CALL T.J. TRASHER, AK. TRUCKERS ASSN.

THE TRUCKERS CONCERN IS WITH FUNDING FOR THE TRUCK SAFETY PROGRAM.

C.

2.

ALASKA TRUCKING ASSOCIATION POSITION PAPER  
ENFORCEMENT OF CHAPTER 104, SESSION LAW '85

THE ALASKA TRUCKING ASSOCIATION URGES THE SECOND SESSION OF THE 14TH LEGISLATURE TO ADEQUATELY FUND THE DEPARTMENT OF PUBLIC SAFETY FOR PROPER ENFORCEMENT OF THE STATE COMMERCIAL VEHICLE LAW.

THE ALASKA TRUCKING ASSOCIATION HAS SUPPORTED HOUSE BILL 133 THROUGH THE FIRST SESSION OF THE 14TH LEGISLATURE AND URGES THAT THIS BILL REMAIN INTACT.

THE ALASKA TRUCKING ASSOCIATION SUPPORTS FUNDING FOR:

The enforcement of the insurance provision which requires that a person who carries passengers or freight intrastate in a commercial motor vehicle shall procure and maintain insurance for property damage and bodily injury or death.

The promulgation of regulations to require a person who drives a commercial motor vehicle to apply for and be issued a license after successful completion of driving tests and written and physical examination.

The promulgation of regulations requirement that all vehicles registered in the State obtain a certificate of inspection, conducted in the private sector under State issued guidelines and control.

THE ALASKA TRUCKING ASSOCIATION BELIEVES FUNDING FOR MINIMUM SAFETY LAWS TO BE ENFORCED IS CRUCIAL FOR TODAY'S DEREGULATED ENVIRONMENT.

Insurance Company of North America  
Aeina Insurance Company  
Alaska Pacific Assurance Company  
CIGNA companies

P.O. Box 6620  
Anchorage, AK 99502  
(907) 561-1400

July 29, 1985

Pat Cowan  
Cowan & Cowan, Inc.  
167 Warehouse Drive, Suite A  
Soldotna, AK 99669

SUBJECT: NEW FINANCIAL RESPONSIBILITY REQUIREMENTS FOR ALASKA MOTOR VEHICLE OPERATORS

The 1985 Alaska State Legislature has enacted a major change in the motor vehicle financial responsibility requirements for your commercial clients. Because this change has arrived unexpectedly, and because the law is ambiguous on some key points, we would like to inform you of the actions we are taking to comply with the change.

Effective June 13, 1985, Alaska Statutes 28, was amended to include a new chapter, Chapter 33, which imposes a new requirement of financial responsibility as follows:

"A person who carries passengers or freight for hire intrastate in a commercial motor vehicle or a person who carries freight in a motor vehicle for commercial purposes, or a person who rents or leases a motor vehicle for the use of another to carry freight shall procure and maintain security in the following minimum amounts:

- (1) \$200,000 for property damage in a single occurrence;
- (2) \$500,000 for bodily injury or death in a single occurrence."

Unfortunately, Chapter 33 does not define the key phrase "for commercial purposes." There is a definition in Chapter 32, which relates to inspections, which states "In this chapter,....(2) 'commercial purposes' means activities for which a person receives direct monetary compensation or activities for which a person receives no direct monetary compensation but are incidental to and done in furtherance of the person's primary business;"

The Division of Motor Vehicles, Department of Public Safety, is using the Chapter 32 definition to interpret Chapter 33. They are also using the Chapter 32 definition of "commercial motor vehicle" to limit the the application of Chapter 33 to "....a vehicle used by the owner or another person for commercial purposes upon a highway or vehicular way.....if the vehicle is

- (A) A school bus;
- (B) A state or local Governmental vehicle of more than 10,000 pounds unladen gross weight;
- (C) A truck or bus of more than 10,000 pounds unladen gross weight; or
- (D) A trailer of 5,000 pounds or more unladen gross weight attached to a vehicle described in (C) of this paragraph."

Insurance Company of North  
America Response to HB 133

HB 133

Stock effects

ch 107, 81A 198

AUG 27 1985



RECEIVED  
Department of Law

AUG 14 1985

AM 7, 8, 9, 10, 11, 12, 1, 2, 3, 4, 5, 6 PM

hand delivered

AUG 5 10 12 AM '85

→ SOC by phone told Orville Gorham that he could interpret statutes in pari materia to give some definit said abt legic intt

These interpretations are based on an informal opinion from the Attorney General regarding the Legislature's intent.

The new Chapter 33 also requires your clients to file evidence of security meeting these requirements with the Division of Motor Vehicles. Because of the broad scope of the interpretation, this will cost us significant expense for filings and cancellations of those filings.

There is also a substantial question regarding the use of combined single limits to satisfy the law requirements. We believe that split limits may be mandated by the law. This poses a difficulty, as the vast majority of our commercial automobile liability coverage is now written at \$500,000 CSL.

Because of the expense and effort involved in this matter, we will not pursue those risks which require filings. Please do not bind us on any new business which requires filings. If you must submit any such new business, we will require:

- (1) Copies of the motor vehicle records (not merely the releases) for all drivers of all vehicles to be insured; and
- (2) Complete four-year loss history, including amounts paid and reserved, premiums, carrier name and policy numbers.

Any applications submitted after August 1, 1985, without these items will be returned. We will not write this business unless supported by acceptable package collateral lines.

For supported renewals, and the few new risks we do accept, we will follow these procedures:

- (1) All policies which require filings will be written for the same limits for all vehicles. We will not apply separate limits to exempted vehicles.
- (2) No auto risks with filings will be written as part of a package policy. This is to enable us to control the filings and cancellations. We will remove any such risks from our in-force packages at expiration.
- (3) We will not endorse in-force policies to new limits unless you request. At renewal, our policies will be available (for risks with filings) with three options:
  - a) 500/500/250
  - b) 500/500/500
  - c) 500/1000/250

Renewals with expiring limits of \$500,000 CSL will be written at 500/500/500, unless you advise otherwise. Those with \$1,000,000 CSL will be written at 500/1000/250, unless you request otherwise. Any request for higher limits than expiring, or for more than 500,000, per person, will be subject to very stringent underwriting, and we will limit our acceptance strictly to a few select risks.

4. Effective immediately, we will no longer write bobtail or dead-heading (non-trucking) liability. All such coverage will be non-renewed. No new bobtail coverage will be accepted after August 1, 1985. We will not make filings on this coverage.

These changes reflect our desire to offer coverage within a selected range of risks. It is important to remember that we will entertain no unsupported auto coverage, new or renewal, which requires filings. We wish to provide the coverage only for those accounts which offer a sufficient opportunity for an underwriting profit.

Thank you for taking the time to read this letter. If you have questions or suggestions, please contact the Anchorage Marketing Office through your underwriter.

*David G. Sever/CE*

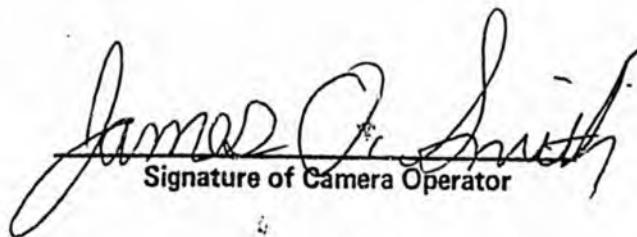
David G. Sever  
Marketing Vice President

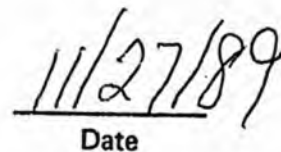


# RECORDS CERTIFICATION



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.

  
Signature of Camera Operator

  
Date

H B

101

2D SS HB 181 - An Act relating to the maintenance of vessels of the Alaska Marine Highway System.

Chairman Adams said the bill would require ferries be maintained at Alaska ports if it could be done at competitive prices. He said the sponsor was proposing to expand the bill to cover all state vessels, not just ferries. He noted that the Department of Transportation and Public Facilities was currently unable to estimate the cost of the bill. He informed members the bill would be placed in a subcommittee consisting of Representatives Szymanski, chair; Duncan and Uehling.

REPRESENTATIVE TAYLOR said the purpose of the legislation is to ensure that the \$77 million already invested by the state in maintenance facilities will be utilized. He discussed the difficulties faced by the Ketchikan and Seward facilities in trying to develop the capital infrastructure necessary to become competitive in the area of vessel repair. He discussed the 5% Alaska bidder preference in relationship to the bill and the bill as an Alaskan hire bill which could legally and constitutionally be enforced. He said there are several large vessels owned by different departments within the state which would not fall within the jurisdiction of the bill. For this reason, Representative Taylor said he would suggest language change to read "all state owned vessels".

REPRESENTATIVE CATO encouraged the Committee's support of the proposed changes to HB 181. She said originally she and Representative Taylor wanted a vehicle to require the state ferry system to utilize marine repair facilities in Seward and Ketchikan. She discussed state investments in the two facilities which had been made to date. According to Representative Cato, a University of Alaska vessel, based in Seward, had been sent to Seattle for prop repair instead of checking and utilizing the facility across the bay in Seward. She said the facility was capable of repairing the vessel; however, since no requirement existed requiring the vessel to first utilize state facilities, \$50,000 was spent in fuel.

Representative Cato said there are skilled laborers available and passage of the bill would serve as an additional incentive for hiring and training of laborers to service the vessels. She noted the economic advantages to the communities of Ketchikan and Seward should the bill become law.

(Tape change, 86-28, Side 1)

Representative Larson referred to line 14 of the Transportation CS which states "that there is no facility in the state able and available to perform the maintenance at competitive prices" asking if it should not read able or available. Representative Cato said it should read "or" instead of "and".

RON GARZINI, MANAGER, CITY OF SEWARD, said he had been traveling in an effort to secure private venture capital in the Seward Marine industrial center. He advised members that in addition to the \$74 million contributed by the state to develop the two facilities, the City of Seward had spent \$4.6 million to develop their facility. He said this year they would do approximately \$1.5 million private sector work, operating the facility on a short-term interim basis. Mr. Garzini informed members of inquiries made during their marketing efforts with regard to possible maintenance by the Seward facility of the state's vessels. He said it had been determined that the Seward facility could maintain 95% of the vessels in the Gulf of Alaska, and provide an asset to fisheries development and offshore oil and gas development in the Gulf. Mr. Garzini discussed their need for investment capital to complete the facility and concurrent need for a commitment by the state with regard to in-state maintenance of state vessels.

MIKE MEEHAN, VICE MAYOR, CITY OF SEWARD, reiterated Mr. Garzini's comments with regard to efforts made by the City of Seward to secure private investment emphasizing the need for state support. He urged the Committee to support the bill.

DON CUBLEY, REPRESENTING THE KETCHIKAN GATEWAY BOROUGH, CITY OF KETCHIKAN, CITY OF SAXMAN, INLAND BOATMANS UNION OF THE PACIFIC, AND MASTERS, MATES AND PILOTS UNION, testified in support of the bill. He said it is essential for the state to concentrate on diversification of the state's economy to new industries and revenue sources trying to revitalize traditional renewable resource industries. Mr. Cubley said new industries would create new jobs for Alaskans and keep revenues in-state. According to Mr. Cubley, the marine maintenance facilities in Ketchikan and Seward provide an excellent opportunity in diversifying the state's economy and reducing its dependence upon oil.

The bill was HELD in committee and assigned to a subcommittee consisting of Representatives Szymanski, chair; Duncan and Uehling.

#### ADJOURNMENT

The meeting adjourned at 2:50 p.m.

(Tape HFC 86-27, Side 1, #512-end)  
(Tape HFC 86-27, Side 2)  
(Tape HFC 86-28, Side 1, #000-#387)

SENATOR JAN FAIKS, SPONSOR OF THE BILL, said the bill would allow the Department of Health and Social Services to accept the JCAH inspections in lieu of yearly inspections. She said there are 14 hospitals in the state which pay for and receive JCAH inspections. She said this represents a slight duplication of effort. Senator Faiks said should the Department be allowed to receive the accreditation in lieu of their own inspections it would save the state time, effort, and money.

Representative Taylor said he strongly supported the bill.

Representative Ringstad MOVED AND ASKED UNANIMOUS CONSENT to report out of Committee House Committee Substitute for Committee Substitute for SB 45 (Judiciary) with a zero fiscal note. There being NO OBJECTION, it was so ordered and HCS CS SB 45 (Judiciary) was reported out of Committee with a "do pass" recommendation and zero fiscal note.

2dSS HB 181

2dSS HB 181 - An Act relating to maintenance of vessels of the Alaska Marine Highway System.

Chairman Adams informed members the bill had been assigned to a subcommittee consisting of Representatives Szymanski, chair; Duncan and Uehling. He advised members the subcommittee had drafted a proposed Finance Committee Substitute for their consideration.

Representative Szymanski explained the title was changed to include all marine vessels, language added to consider investment within the state of Alaska to marine repair facilities, and examination by the Commissioner of DOTFF concerning amount of state funds invested along with amortization, direct and indirect benefits to the economy, and state labor force. According to Representative Szymanski an exemption under AS 37.05.230, provisions relating to competitive bidding, would be allowed for contract awarded for the maintenance of marine vessels owned by the state of Alaska if the contract is awarded to an in-state facility.

In response to a question from Representative Pourchot concerning competitive bidding, Representative Taylor said it would be easy for the two major ship repair facilities in the Pacific Northwest to be able to under bid significantly work on Alaska's highway system for the first year or so. He said this could totally destroy the viability for the start of any business for either the Seward or Ketchikan site, consequently destroying the cost savings to the state of Alaska which would result. There was discussion concerning the estimated length of contracts.

Representative Larson referenced line 13 of the proposed Committee Substitute which read able "and" available recommending that it be changed to read able "or" available.

Representative Szymanski MOVED AND ASKED UNANIMOUS CONSENT to adopt the work draft dated 4/7/86 for 2d SS HB 181 as the Finance Committee Substitute for the bill. There being NO OBJECTION, it was so ordered.

Representative Larson MOVED to delete the word "and" on line 13 and reinsert the word "or" after able. There being NO OBJECTION, it was so ordered.

Representative Szymanski MOVED AND ASKED UNANIMOUS CONSENT to report out of Committee CS 2d SS HB 181 (Finance) with a zero fiscal note. There being NO OBJECTION, it was so ordered and CS 2d SS HB 181 (Finance) was reported out of Committee with a "do pass" recommendation and zero fiscal note.

HB 552

HB 552 - An Act relating to setting speed limits and neighborhood speed zones.

Chairman Adams said the bill would require that the Department of Transportation and Public Facilities take into account neighborhood concerns before setting speed zones and speed limits on state highways and roads. He said the bill had no fiscal impact until prior to the meeting at which time DOTPF submitted a request for \$40,000 to hold public hearings required by the bill. Chairman Adams felt the hearings could be easily absorbed within the Department's budget therefore had prepared a zero fiscal note.

REPRESENTATIVE UEHLING, SPONSOR OF THE BILL, said the bill would require DOTPF to consider the presence of neighborhood schools, parks and pedestrian traffic when setting speed limits. He said state law charges DOTPF with setting speed limits; however, the Legislature has never really given DOTPF any indication of what factors should be considered when setting speed limits. According to Representative Uehling, speed limits are set according to internal policy called the "85th percentile". He informed members the Department almost solely relies upon the use of the 85 percentile, meaning they set speeds at the rate at which 85 percent of the drivers are currently driving. He said HB 552 would give local areas an initiative to help establish reduced speed limits in neighborhoods and help keep them low when new roads go in. He noted there are 12 co-sponsors on the bill and it had generated a number of inquiries from interested individuals.

Representative Pourchot cited an example of an arterial road in Anchorage which runs by schools, through residential areas, contains pedestrian crosswalks, etcetera. He asked if the bill would supersede what might otherwise be placed as a speed based on engineering and design. Representative Uehling said the bill would simply require the Department to consider resident's concerns as expressed through the hearing process.

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CS For 2d Sponsor Sub. HB 181  
 Title: "...maintenance of vessels of the Alaska Marine Highway System."

Sponsor: Taylor, Sund and Goll  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: DOT&PF - AMHS  
 BRU: Marine Operations

Components: 1) SE Vessels Operations and Overhaul  
2) SW Vessels Operations and Overhaul.

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE						
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

See attached.

Prepared by: Joe D. Camp, Deputy Commissioner  
 Division: Alaska Marine Highway System

Phone: 465-3950  
 Date: 3/18/86

Approved by Commissioner: [Signature]  
 Agency: DOT/PF

Date: 3/18/86

Distribution (by Agency preparing fiscal note):

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

## CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS For 2d Sponsor Substitute for HB 181

There are eventualities relating to the maintenance of vessels of the Alaska Marine Highway System within the State of Alaska that could be positive or negative in impact. At this point in time it is not possible to assess the fiscal-impact of the presently written bill.

There is the possibility that the higher costs of doing business in an "Alaskan Shipyard" could be somewhat offset by the savings generated from an interport differential or cost of delivery of a vessel to and from Alaska. On the other side, it would be less desirable for crewmembers to live outside Alaska and more would likely move back resulting in higher COLA payments.

The fiscal impact will remain unknown until some experience is generated in vessel repairs in Alaska.

April 3, 1986

Representative Al Adams  
Chair, House Finance Committee  
Alaska State Legislature  
Juneau, AK 99811

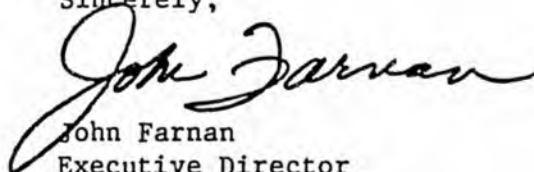
Dear Representative Adams:

The Southeast Conference supports 2D SSHB 181 (relating to the maintenance of vessels) as it is now written. It is our opinion that interport differential and the Alaska bidder preference should allow the Ketchikan shipyard to bid competitively within the West Coast Ship repair market.

The Southeast Conference believes that the Ketchikan shipyard will have the ability to economically serve the Alaska Marine Highway and other potential customers. The shipyard will provide local employment and will benefit the State of Alaska.

We request that the House Finance Committee do pass this bill.

Sincerely,



John Farnan  
Executive Director  
Southeast Conference

cc: House Finance Committee Members

*Southeast Conference Position*



Dept. of Transportation & Public Facilities

# Position Paper

BILL NO: 181 (2nd Sponsor Substitute)

APPROVED:

R. J. Krapp  
Commissioner

TITLE: An Act relating to the Maintenance of Vessels of the Alaska Marine Highway System DATE:

The department agrees with the concept that Alaska Marine Highway System (AMHS) vessels should be repaired in Alaska.

However, we disagree with this bill as written as it removes the competitive process from repair contracts. In effect, this bill gives a "blank check" to the private shipyard operator to charge AMHS whatever he pleases since he would have a captive market.

AMHS has made a conscious effort to reduce repair costs and thus make more of the limited budget available for operations. One undesirable result of enactment of this bill, as written, could be an unreasonable increase in the cost of repairs which would be paid out of operating funds with the net result being a reduction in service to Alaskan communities.

Market economic factors favor the operator of the Ketchikan Shipyard. He will have three distinct economic advantages over outside shipyards.

1. He will have minimal capital costs to recover in his repair pricing.
2. He will have an Alaska bidders preference.
3. Any outside bidder will have an "interport differential" added to their bid in the evaluation process.

(Interport differential is the cost of positioning a vessel to another repair port. It includes full, crew repatriation, per diem, and any other identifiable direct cost of the positioning/repositioning. It is calculated for each vessel at each overhaul but would be in the neighborhood of \$50,000.00 for a mainline vessel.)

The department recommends that the bill be modified by adding the words "at competitive prices" on line 15 following the word maintenance.

For further information call Susan Fleischhauer at 465-3900.

*DOT Position on Bill Before Floor Amend.*

HOUSE  
COMMITTEE REPORT

(11)

Date referred: 3/19/86

FURTHER REFERRALS:

DATE: 4-7-86

The FINANCE Committee has considered 2d SSHB 181

"An Act relating to the maintenance of vessels of the Alaska marine highway system.

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS for 2<sup>d</sup> SS HB 181 (FIN)  same title
- new title

and recommends do pass

further referral to the \_\_\_\_\_ Committee

- and attaches:  letter of intent
- first fiscal note
- new fiscal note
- ~~zero~~ fiscal note (indeterminate amount \$57)

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature] ALASKA jobs and more jobs?

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature] NO REC

[Signature] No Recommendation

[Signature] NO REC.

[Signature] DO NOT PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]  
Chairman

# Alaska State Legislature

COMMITTEES:  
VICE-CHAIRMAN  
HEALTH, EDUCATION & SOCIAL SERVICES  
JUDICIARY  
FINANCE SUB-COMMITTEE  
ON COURT SYSTEM  
JOINT COMMITTEE ON  
FOREIGN TRADE



PO. BOX 1441  
WRANGELL, ALASKA 99929  
(907) 874-2316

White In Pouch  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4905

## House of Representatives

ROBIN L. TAYLOR

March 31, 1986

TO: Representative Al Adams  
Chairman, House Finance Committee

From: Representative Robin L. Taylor

BT

Subject: Committee Substitute for 2nd Sponsor Substitute for  
House Bill 181 (Transportation)

As you know, House Bill 181 will be before the House Finance  
Committee on April 3, 1986. I would like to offer the  
following ammendment to include all state owned vessels:

Section 19-65.030 is ammended to read:

All state owned vessels [a vessel of the Alaska Marine  
Highway System] may not be transported outside of the state  
for purposes of maintenance unless the Commissioner of  
Transportation and Public Facilities determines that there is  
no facility in the state able and available to perform the  
maintenance at competitive prices.

cc: House Finance Committee Members

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date : \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: CS for 2d Sponsor Sub. HB 181  
 Title: "...maintenance or vessels of the Alaska Marine Highway System."

Sponsor: Taylor, Sund and Goll  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: DOT&PF - AMHS  
 BRU: Marine Operations

Components: 1) SE Vessels Operations and Overhaul 2) SW Vessels Operations and Overhaul.

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	/	/	/	/	/	/

CAPITAL	/	/	/	/	/	/
---------	---	---	---	---	---	---

REVENUE						
---------	--	--	--	--	--	--

**FUNDING : (Thousands of Dollars)**

GENERAL FUND	/	/	/	/	/	/
FEDERAL FUNDS	/	/	/	/	/	/
OTHER	/	/	/	/	/	/
TOTAL	/	/	/	/	/	/

**POSITIONS :**

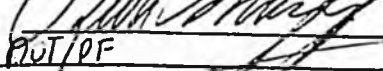
FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

See attached.

Prepared by: Joe D. Camp, Deputy Commissioner  
 Division: Alaska Marine Highway System

Phone: 465-3950  
 Date: 3/18/86

Approved by Commissioner:   
 Agency: DOT/DF

Date: 4/2/86

Distribution (by Agency preparing fiscal note):

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

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS For 2d Sponsor Substitute for HB 181

There are eventualities relating to the maintenance of vessels of the Alaska Marine Highway System within the State of Alaska that could be positive or negative in impact. At this point in time it is not possible to assess the fiscal impact of the presently written bill.

There is the possibility that the higher costs of doing business in an "Alaskan Shipyard" could be somewhat offset by the savings generated from an interport differential or cost of delivery of a vessel to and from Alaska. On the other side, it would be less desirable for crewmembers to live outside Alaska and more would likely move back resulting in higher COLA payments.

The fiscal impact will remain unknown until some experience is generated in vessel repairs in Alaska.

Offered: 4/8/86  
Referred: Rules

Original sponsors: Taylor, Sund,  
Goll, and Szymanski

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR 2d SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 181 (Finance) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the maintenance of marine vessels  
7 of the state; and providing for an expiration of the  
8 Act."

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

10 \* Section 1. AS 36.20 is amended by adding a new section to read:

11 Sec. 36.20.020. MAINTENANCE OF STATE MARINE VESSELS. (a) A  
12 marine vessel owned by the state may not be transported outside of the  
13 state for the purpose of maintenance or repair unless the commissioner  
14 of transportation and public facilities determines that there is no  
15 facility in the state able to perform the maintenance at a price that  
16 is in the state's best interests. In making this determination, the  
17 commissioner shall consider, and document through written findings

18 (1) the amount of money the state has granted to, or other-  
19 wise invested in, marine vessel maintenance facilities in the state;

20 (2) the amortization, overhead, and start-up costs of the  
21 facilities in the state; and

22 (3) the direct and indirect benefits to the economy and  
23 labor force of the state that may be obtained by contracting with a  
24 facility in the state.

25 (b) AS 37.05.230 and the competitive bidding provisions of any  
26 other law do not apply to a contract for the maintenance or repair of  
27 a marine vessel owned by the state if the contract is awarded to a  
28 facility in the state.

29 Sec. 2. The provisions of this Act expire six years after the date it

SUMMARY OF ALASKA MARINE HIGHWAY EXPENDITURES

DIVISION OF ALASKA

ROADS

FY 76 - FY 85

	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	TOTAL	
SUBMIT	2,672,791	2,926,822	3,566,406	6,027,483	4,308,541	5,760,868	5,275,662	4,820,657	5,615,427	4,945,234	45,917,891	84%
SUBMITTANT	733,742	645,768	818,828	677,379	754,132	922,636	1,047,574	1,010,674	1,029,075	1,045,927	8,685,945	16%
STATE	3,424,533	3,572,770	4,385,234	6,704,822	5,062,673	6,033,494	6,323,236	5,831,331	6,644,502	5,991,161	54,603,836	100%

DOT DEPT. BUDGET

	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85	TOTAL
AUTHORIZED BUDGET	29,164,700	33,856,607	36,791,200	38,020,000	47,157,000	52,197,100	56,559,600	60,616,000	63,279,600	65,415,585	483,062,200
EXPENDED	28,706,200	33,566,800	34,410,400	37,978,400	45,920,000	51,129,700	56,233,100	60,563,621	62,262,082	65,310,294	476,100,800

% of AMHS  
To Total Dept

16.7%    10.6%    12.7%    17.6%    11%    13%    11.2%    9.6%    10.7%    7.2%    11.5%

# Alaska State Legislature

## COMMITTEES:

VICE-CHAIRMAN  
HEALTH, EDUCATION & SOCIAL SERVICES

JUDICIARY

FINANCE SUB-COMMITTEE  
ON COURT SYSTEM

JOINT COMMITTEE ON  
FOREIGN TRADE



P.O. BOX 1441  
WRANGELL, ALASKA 99929  
(907) 874-2316

While in Juneau  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4905

## House of Representatives

ROBIN L. TAYLOR

April 23, 1986

TO: Senator Jack Coghill  
FROM: Representative Robin L. Taylor  
RE: CS For 2nd SS HB181

*R.L.T.*

CSSSHB181 in my estimation is one of the strongest local hire legislation. Its effect is not only going to be felt in Ketchikan and Seward but throughout the surrounding areas.

In the past ten years the state of Alaska has spent in excess of 54 million dollars in the area of marine vessel maintenance outside the state of Alaska (see attached). That is 54 million dollars that could have stayed in the state had we had a law such as the one proposed in the above bill.

The state of Alaska has invested 36 million dollars in the Seward ship yard facility and 38 million dollars in the Ketchikan facility. Unless we generate and encourage the use of these facilities, not only would we have wasted over 74 million dollars, but we will continue to send very much needed money and job opportunities outside of the state. In these days of declining revenues, we can not allow that to happen.

The result of this bill if it becomes law, will be the creation of approximately 200 jobs in Ketchikan and numerous jobs in Seward.

Therefore because of the above stated reasons, I urge you to give this bill your most positive consideration and if I can provide anymore information please do not hesitate to ask. I appreciate your prompt attention and dedication to the idea of state monies being spent within the state.



## Dept. of Transportation & Public Facilities

# Position Paper

**BILL NO:** CH For 2nd Sponsor Substitute for  
House Bill No. 181 (Finance)

**APPROVED:** *R. J. Knapp*  
Commissioner

**TITLE:** Maintenance of Marine Vessels  
of the State

**DATE:** 4/23/86

The Department of Transportation and Public Facilities fully supports the performance of maintenance of Alaska public vessels within the state but believes that the economic factors of the market place will cause that to take place without waiving the competitive bidding provisions of AS 37.05.230. For instance, in the case of Alaska Marine Highway System (AMHS) vessels, an interport differential would be added to the bid of shipyards outside Alaska for the purpose of evaluation. Interport differential is defined as the extra costs such as fuel, crew transportation, per diem, pilotage, etc., that are incurred as a result of taking a vessel from the repair yard nearest to the vessel's operating area (Alaska) to any other yard. As an example, the current interport differential between Seattle and Portland on the contract for M/V COLUMBIA bow thruster installation is \$32,500. Were the Ketchikan Shipyard now in operation, the interport differential between Ketchikan and Seattle on that contract would be at least \$50,000, and between Ketchikan and Portland at least \$77,000.

The economic advantage of interport differential to Alaska Shipyards is significant enough alone to provide a strong margin in favor of any Alaska Shipyard. In addition, the operators of Shipyards in Alaska (all private) also will have the advantage of reduced capital costs and the Alaska bid preference.

The disadvantage to the State of Alaska of waiving AS 37.05.230 or any other competitive bidding law is that such a waiver will in effect offer a blank check to the private operator of any shipyard located in Alaska. AMHS is appropriated a fixed amount annually to both maintain and operate the vessels. A conscious effort has been made to maximize funds spent for operations and to minimize funds spent on maintenance and repairs, consistent with safety and good engineering practices. The result of CS for 2nd SS for HB 181 as currently written would likely be an increase in the amount of money spent on maintenance and repairs and a decrease in the amount of money available for operations, resulting in less service to the public who depend on the AMHS for basic transportation needs.

The Department of Transportation and Public Facilities opposes CS for 2nd SS for HB 181 as currently written for the above stated reasons.

For further information call Susan Fleischhauer at 465-3900.

POSITION PAPER

Bill No. CH For 2nd Sponsor Substitute for House Bill 181  
(Finance)

However, we are in favor of the overall objectives, and propose the following as an alternative.

- A. Expand Alaska bidder preference factor from 5% to 15% on all marine repair contracts.
- B. If qualified competition exists in state restrict bids to Alaska firms.
- C. If qualified competition does not exist in state advertise as necessary taking into account Alaska bidder preference plus interport differentials.

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

LEGISLATIVE REFERENCE LIBRARY

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

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, 3/18/1986, 7:00 am*

# MEMORANDUM

State of Alaska

TO: Joe Camp  
Deputy Commissioner  
Department of Transportation  
and Public Facilities

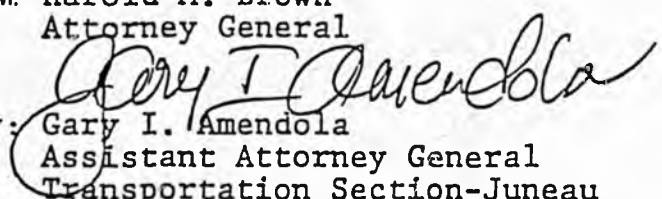
DATE: March 20, 1986

FILE NO:

TELEPHONE NO: 465-3603

FROM: Harold M. Brown  
Attorney General

SUBJECT: Legislative Intent  
for CS for 2nd SSHB  
181 (Trans)

By:   
Gary I. Amendola  
Assistant Attorney General  
Transportation Section-Juneau

You have asked for language to clarify the legislative intent of CS for 2d SSHB 181 (Trans), which amends AS 19.65 by adding a new section to read:

Sec. 19.65.030. MAINTENANCE OF ALASKA MARINE HIGHWAY SYSTEM VESSELS. A vessel of the Alaska marine highway system may not be transported outside of the state for the purpose of maintenance unless the commissioner of transportation and public facilities determines that there is no facility in the state able and available to perform the maintenance at competitive prices.

Draft language of legislative intent could be as follows:

The transportation committee supports the concept of using facilities located in the State of Alaska for the repair and maintenance of Alaska marine highway system vessels. The committee also recognizes, however, that the Alaska marine highway system is required under AS 37.05.230 to award a contract for the maintenance or repair of its vessels on the basis of competitive bidding. The committee does not intend this legislation to conflict with the provisions of AS 37.05.230 nor does it intend by this legislation to relieve the Alaska marine highway system of its obligation to award contracts for the maintenance or repair of its vessels except by competitive bid.

GIA:prm

# Alaska State Legislature



## House of Representatives

### Committee on Transportation

Rep. Bette Cato, Chairman

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

LETTER OF INTENT  
FOR  
CS FOR 2D SSHB 181 (TRSP)

The House Transportation Committee supports the concept of using facilities located in the State of Alaska for the repair and maintenance of the Alaska Marine Highway system vessels. The Committee also recognizes, however, that the Alaska Marine Highway System is required under AS 37.05.230 to award a contract for the maintenance or repair of its vessels on the basis of competitive bidding. The Committee does not intend this legislation to conflict with the provisions of AS 37.05.230 nor does it intend by this legislation to relieve the Alaska Marine Highway System of its obligation to award contracts for the maintenance or repair of its vessels except by competitive bid.

CONCUR

OTHER

<u>Bette Cato</u>	-----
<u>Adolph Herrman</u>	-----
<u>John Turner</u>	-----
<u>Mike De</u>	-----
<u>A. J. M. M. M.</u>	-----
<u>Dick Slattery</u>	-----
<u>Motivallari</u>	-----

Bette Cato  
CHAIRMAN

Alaska State Legislature



House of Representatives

REPRESENTATIVE  
BETTE CATO

DISTRICT 6  
BOX 775

VALDEZ, ALASKA 99686  
(907) 835-4568

WHILE IN JUNEAU  
P.O. BOX V

JUNEAU, ALASKA 99811  
(907) 465-4858  
(907) 586-2660

COMMITTEES

CHAIRMAN  
HOUSE TRANSPORTATION

MEMBER  
RESOURCES  
STATE AFFAIRS

DATE: 20 March 1986  
TO: Representative Robin Taylor  
FROM: Representative Bette Cato *BC*  
RE: CS 2d HB 181 (TRSP)

Would you please consider amending CS 2d HB 181 (TRSP) to include all state vessels instead of only vessels of the Alaska Marine Highway System?

I understand several state agencies have vessels which should also be maintained in-state whenever possible. I believe we could simply change language to cover all state vessels and leave the responsibility of determination with the Commissioner of Transportation.

Please give Rhonda Cargill of our Transportation Committee staff a call and let her know what you decide, as I will be out of town until Sunday night. Rhonda will be more than happy to gather data to substantiate this amendment if you are agreeable to the idea.

Thanks so much for your consideration and assistance.

*Cato Memo that asks for All vessels to be covered*



ALASKA STATE LEGISLATURE  
 HOUSE OF REPRESENTATIVES  
 RESEARCH AGENCY

Pouch Y, State Capitol  
 Juneau, Alaska 99811  
 (907) 465-3991

April 2, 1986

MEMORANDUM

TO: Representative Bette Cato  
 ATTN: Rhonda Cargill  
 FROM: Deb Pomeroy, Administrative Officer *DP*  
 RE: Vessels Owned by the State of Alaska  
 Research Request 86-155

You requested information on the number of boats larger than 16 feet that are owned by various departments of the State. I contacted Bob Head, Property Manager with the Division of General Services and Supply in the Department of Administration (DOA). He was able to provide computer printouts on vessels owned by all the State agencies with the exception of the University of Alaska.<sup>1</sup> The attached table contains the data on boats larger than 16 feet by department.

In addition to the nine ferries owned by the Marine Highway System, the State of Alaska owns 173 boats larger than 16 feet. The following is a breakdown of the size and ownership:

<u>Size</u>	<u># of boats</u>	<u>Ownership</u>
> 45'	13	8--DF&G; 5--DPS
26' - 45'	26	12--DF&G; 12--DPS; 1--DOE; 1--Surplus
17' - 25'	130	96--DF&G; 27--DPS; 1--Corr.; 1--DEC 1--H&SS; 1--DNR; 2--DOT/PF; 1--Surplus
Unknown	6	4--DPS; 1--DNR; 1--Surplus

I hope this information answers your questions. If you have any questions or would like additional information, please contact this agency.

DP

Attachments

<sup>1</sup>This printout is on file at House Research if you would like to see it. Julie Mipes with the University of Alaska in Fairbanks will be sending information on the U of A's vessels in the next week. I will forward that information to you as soon as it is received.

STATE OF ALASKA  
VESSELS OVER 16 FEET

DEPARTMENT	VESSEL LENGTH	CLASS DESCRIPTION
Fish & Game	91' Patrol	Metal Enclosed Inboard Power
	72' M/V Kittiwake	Boat, General
	70' (21' Beam) M/V Steller	Metal Enclosed Inboard Power
	70' Schooner	Metal Enclosed Inboard Power
	66' Crabber/Troller	Metal Enclosed Inboard Power
	65' Steel Hull T-Boat	Metal Enclosed Inboard Power
	58' Seine Boat	Metal Enclosed Inboard Power
	48' X' 24 Cataaaran Fish Trap	Barge, Metal Power
	40' Utility	Metal Enclosed Inboard Power
	36' M/V O'Merka	Plastic Enclosed Inboard Power
	34' M/V Cutthroat	Plastic Enclosed Inboard Power
	32' M/V Swolt	Plastic Enclosed Inboard Power
	32' M/V Puffin (Fiberglass)	Plastic Enclosed Inboard Power
	32' M/V Iliaska (Cruiser)	Plastic Enclosed Inboard Power
	31' M/V Clupea	Plastic Enclosed Inboard Power
	31' MV 09Kisutch	Plastic Enclosed Inboard Power
	31' Blind Slough	Barge, Metal Power
	31' Blind Slough	Barge, Metal Power
	30' Alum Boat	Metal Open Outboard Power
	26' J&C Radar	Metal Open Outboard Power
	25' Bristol Bay Drift Skiff	Wood Enclosed Outboard Power
	25' Boston Whaler	Plastic Open Outboard Power
	24' X 9' Wood Arctic Queen	Boat, General
	24' X 8' Scow Flat	Plastic Open Outboard Power
	24' X 40' Manigan Float House	Wood Barge
	24' Gussic Ventures	Metal Open Outboard Power
	23' Dories Interceptor	Metal Enclosed Outboard Power
	23' Commercial Cuddy	Plastic Enclosed Outboard Power
	22' X 25' Boothouse	Wood Barge
	22' ORCA Workboat	Plastic Open Outboard Power
	22' Marine Fiberglass	Plastic Open Outboard Power
	21' Woolridge	Metal Open Outboard Power
	21' Woodridge	Metal Open Outboard Power
	21' Silver Streak	Metal Open Outboard Power
	21' Munson	Metal Open Outboard Power
	21' Glassoly	Plastic Enclosed Inboard Power
	21' Gaspar Ventura	Plastic Enclosed Outboard Power
	21' Boston Whaler	Plastic Open Outboard Power
	21' Boston Whaler	Plastic Open Outboard Power
	21' Boston Whaler	Plastic Open Outboard Power
	21' Boston Whaler	Plastic Open Outboard Power
	21' Alum	Metal Open Outboard Power
	20' Wood Plank	Boat, General
20' Smokercraft	Metal Open Outboard Power	
20' Quachita	Metal Open Outboard Power	
20' Quachita	Metal Open Outboard Power	
20' Fiberform	Plastic Enclosed Outboard Power	
20' Custom Made	Metal Open Outboard Power	
20' Boston Whaler	Plastic Open Outboard Power	
20' Boston Whaler	Plastic Open Outboard Power	
20' Boston Whaler	Plastic Open Outboard Power	
20' Boston Whaler	Plastic Open Outboard Power	
20' Boat	Boat, General	
20' Alunaweld	Metal Open Outboard Power	





STATE OF ALASKA  
VESSELS OVER 16 FEET

DEPARTMENT	VESSEL LENGTH	CLASS DESCRIPTION
Corrections	18' Valco	Metal Open Outboard Power
Education	30' Utility Boat	Boat, General
Environmental Cons	19' Boston Whaler	Plastic Enclosed Outboard Power
H&SS	20' R.R. Hewes Craft	Metal Open Outboard Power
Natural Resources	16'7" Boston Whaler	Plastic Enclosed Outboard Power
	Silverline MDL Hilo	Plastic Enclosed Outboard Power
Transportation	Bartlett	Ferries
	Tustanena	Ferries
	Chilkat	Ferries
	Matanuska	Ferries
	Columbia	Ferries
	Taku	Ferries
	Malaspina	Ferries
	LeConte	Ferries
	Aurora	Ferries
	16' X 30' Paint Float	Metal Barge
	20' Aluminum	Metal Open Outboard Power
Surplus Warehouse	Glasply 2600 Escort	Plastic Enclosed Inboard Power
	17' Glasply	Plastic Enclosed Outboard Power
	26' Cabin Skiff Barricuda	Wood Enclosed Outboard Power

Prepared by the House Research Agency, April 1986.



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

Pouch Y. State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

April 18, 1986

MEMORANDUM

TO: Representative Bette Cato

ATTN: Rhonda Cargill

FROM: Deb Pomeroy, Administrative Officer *DP*

RE: Vessels Owned by the State of Alaska  
Research Request 86-155 (Supplemental Information)

Attached is the list of vessels over 16 feet owned by the University of Alaska which I received today. This brings the number of State-owned vessels over 16 feet to 309. If you would like this information incorporated into the table I delivered to you on April 4, please let me know.

DP

Attachment

University of Alaska

DESCRIPTION	POWER	LENGTH	LOCATION
LUND, ALUMINUM, OPEN	OUTBOARD	16	UAJ - JUNEAU
BOSTON WHALER, FIBERGLASS, OPEN	NONE	17	UAJ - JUNEAU
LUND, ALUMINUM, OPEN	OUTBOARD	16	UAJ - JUNEAU
GLASPLY, FIBERGLASS, CABIN	OUTBOARD	23	UAJ - JUNEAU
UNIFLITE, PLYWOOD/GLASS, CABIN	INBOARD	23	UAJ - JUNEAU
SABRECRAFT, PLYWOOD/GLASS, CABIN	INBOARD	26	UAJ - JUNEAU
RESEARCH VESSEL, WOOD, "MAYBESO"	INBOARD DIESEL	47	UAJ - JUNEAU
LAKE BOAT, ALUMINUM	UNKNOWN	16	FAIRBANKS
BOSTON WHALER	UNKNOWN	16	SEWARD
BOSTON WHALER	UNKNOWN	16	SEWARD
DURACRAFT RIVER BOAT	UNKNOWN	20	FAIRBANKS
RIVER BOAT	UNKNOWN	24	FAIRBANKS
MONARK RIVERBOAT	UNKNOWN	20	FAIRBANKS
RIVERBOAT	UNKNOWN	30	FAIRBANKS
GRUMMAN CANOE	UNKNOWN	17	FAIRBANKS
GRUMMAN CANOE, SQUARE STERN	UNKNOWN	19	FAIRBANKS
ZODIAK INFLATABLE RUBBER RAFT	OPTIONAL	16	FAIRBANKS
BOAT SKIFF WOOD	UNKNOWN	24	KODIAK
BOAT METAL	UNKNOWN	24	GALENA