

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6169 HOUSE TRANSPORTATION

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Interestingly, the Task Force also addressed the basic question of organization and suggested consideration of a public authority or corporation, or continuation of the present arrangement under DOT&PF with a policy-making commission at its head. The main issue they seemed concerned about was ensuring continuity in top department and AMHS management. Without endorsing this concept, I must concur that the entire DOT&PF organization has suffered greatly due to its overall lack of continuity in top management since its inception.

Within three months of assuming responsibility over the AMHS in December 1986, it became quite evident that there existed an absolute void of useable information about almost all aspects of its operations. Further, I found little evidence of any real consideration for accountability or sound management practices guiding day-to-day actions. Nor did I discover any real effort by the past administration to address these matters as identified by their Task Force, with the possible exception of the reservations system.

As a result, we set out on a process to first put in place a streamlined management team of competent professionals in all key posts, followed by the next step of establishing the necessary management practices to generate useable information and control day-to-day actions. The final step in the plan was to generate a comprehensive system plan using the information created through the prior steps. In practice, it has taken longer to implement the first two steps than originally thought, thereby delaying our attention on the comprehensive plan.

On the other hand, real successes have been achieved in the last two and a half years, including the development of a reasonably accurate vessel-by-vessel cost data base for FY 88 and 89. We now possess considerable more ability to predict accurately the relevant fiscal implication of various proposals (e.g., labor provisions) or actions necessary to implement budget reductions.

Authority Impetus/Popular Myths

The combination of our inability to articulate the comprehensive system plan, and the real and perceived impacts resulting from the growing budget dilemma (including the resulting impact on legislative perceptions about the System's efficiency), has served as the primary impetus for many to support the establishment of a public authority as a way to address existing problems.

Whether an authority structure will allow better resolution of these issues is debatable, depending in part on exactly how the authority is structured, and whether the right type of board members and top managers are selected.

Anyone who argues that one organization approach is a guarantee for success, while another means certain failure is providing too simplistic an analysis.

Many proponents have argued that an authority will automatically result in certain benefits that will probably not materialize. For example, one argument is that an authority will help remove the AMHS from "politics." Although an authority may change the politics, it will not remove the System from politics when it needs in excess of \$30 million a year in general funds to operate, and the legislature must act annually to appropriate all funds. Even if a constitutional amendment is passed to establish a dedicated fund to keep and manage its revenues, annual appropriations will still be needed. There are also future capital decisions needed eventually regarding vessel age and replacement that will significantly involve the legislature.

Another argument is that an authority will allow the AMHS to keep its own revenues and ultimately become a self-sustaining entity. Putting aside the dedicated fund problem, I disagree that it is possible to make the AMHS a self-sustaining entity unless its mission is significantly changed, and a completely different type of vessel is used allowing for a significant reduction in operating costs. Although I believe it's a worthwhile goal to have the AMHS act in a more businesslike manner and achieve greater self-sufficiency within reason, I don't think it's realistic or appropriate to seek a total self-sufficient operation. The AMHS is fundamentally a basic transportation system similar to our land highway system. Highways do not fully pay for their own existence, nor can or should the AMHS particularly given the high operating costs inherent in its operation.

Real benefits will accrue if the AMHS is allowed to spend the revenue it generates. This would create more of a direct relationship with performance, and work as an incentive. Some consideration could be added through a formula whereby a percentage of new revenues goes to help reduce the general fund contribution. The real question is whether it's necessary to establish an authority to create this relationship. This proposal can be pursued under the current organization, and is a concept that we tried to develop with some success last session. We intend to present for your consideration a proposal for the FY 91 budget that would give the AMHS the benefit of any increase in revenue performance over prior years.

One other argument often mentioned in support of an authority is that as part of DOT&PF, the AMHS doesn't have an advocate working solely on its behalf. While I'd agree that the DOT&PF Commissioner institutionally has other considerations and duties that on occasion may moderate AMHS advocacy, the department does act as a System advocate. In fact, last session we did better on behalf of the AMHS than any other part of the department. On the other hand, there is some validity to the argument that under an authority there would be an advocate in the legislature with more of a single purpose. Whether an administration will want to allow that much freedom in the budget process might work to moderate the "advantages" gained by the organization structure.

Taking the AMHS out of the department will also have the effect of allowing the DOT&PF Commissioner freedom to argue more strongly for the other modes with less regard for AMHS needs. It's worth observing that we continue to spend almost as much money to run the AMHS as we do to maintain every state highway and airport except for AIAS. There are AMHS non-advocates in the legislature that might desire more independence in order to argue more easily that less funds are needed for the System, but that instead more support should be given to other modes. One outcome from establishing an authority is that the "subsidy" issue may be viewed as more of a regional issue in the legislative budget debate.

A final, related argument that I question is that setting up the AMHS as an authority will better allow increases in funding, particularly to meet growing service demands. To the extent an authority ensures greater accountability and tighter management, there may be some truth to this argument. However, the organizational structure will be much less a determinant on this issue than OPEC and oil industry developments. Whether more money goes to support ferries is fundamentally a direct function of the decision-making process to allocate the scarce and ever dwindling general fund resource.

Railroad Comparison

Many authority proponents argue that what is needed for the AMHS is the same approach as was used in setting up the Alaska Railroad Corporation (ARRC). They argue that it worked for the ARRC, therefore it should work for the AMHS. This argument fails to recognize there are fundamental differences between these two organizations and their respective missions. The ARRC is basically a freight transportation and real estate development company that provides limited essential or basic surface transportation services to rural areas (e.g., Whittier; Hurricane-Talkeetna), while the AMHS is fundamentally a basic transportation system serving as the primary means of surface transportation for most users. The ARRC has a clear capacity to operate in a self-sustaining manner even in spite of its limited passenger service responsibilities; the AMHS has no realistic prospect to operate on a self-sustaining basis, at least under its current mission.

There are also more subtle differences between the two organizations that could greatly affect the chances for successful implementation of an AMHS authority. The ARRC was never part of state government or our political system; the AMHS is firmly ingrained in all aspects, whether its labor relations, risk management, legal services, or annual budget approval. As a practical matter, I question just how autonomous an organization can be created for the AMHS. At some point there is a real risk of effectively establishing just another line agency masquerading as an authority, which should be weighed against the chaos and negative aspects of making the change.

August 9, 1989

As an aside, I think there are legitimate policy concerns with pursuing too much autonomy for an organization that spends in excess of \$30 million annually in general funds.

Another difference to consider is that the ARRC had to confront restructuring of its basic organization due to the federal government's decision to pursue divestiture; there is no similar impetus to force the change for the AMHS. While it's hard to predict the implication of this point, I believe at a minimum it may force more accommodations during the legislative process to achieve the desired result, once again potentially diluting the end result. This could be particularly the case with many of the employee issues.

The actual experience of considering and then pursuing establishment of the ARRC is useful as a possible model. Four separate legislative sessions were spent crafting the legislation establishing the ARRC. A thorough and thoughtful analysis and debate occurred exploring the issue of the Railroad's basic mission, followed by a full assessment of all organizational options. Attached is one document generated during that effort. While it should be acknowledged that passage of federal legislation was needed in the case of the Railroad, I believe the analogy is relevant and, as a primary player on that issue, must observe that it will be next to impossible to achieve a good piece of authorizing legislation in only one legislative session.

Possible Benefits

Having played devil's advocate, let me turn to an analysis of some possible benefits that could be achieved through establishment of an AMHS authority. The major, potential benefit that I see is an authority could greatly aid in providing continuity in top management at the System. This has clearly been a problem, as identified in the 1984 Task Force Report. While there are other ways to achieve this goal, an authority clearly allows for greater management continuity. In this aspect, it can be argued that it minimizes the potential for playing politics; although that depends on the board and sitting governor too. Additionally, if you have a problem management team, it might prove more difficult to pursue a prompt change.

Another benefit would be more control over the labor relations functions, particularly with the vessel employees. This benefit will only materialize if there's a willingness to give the authority real control over this function. One reason for using the authority structure is to set an organization apart from the rest of state government, thereby reflecting a somewhat unique mission requiring special considerations. If one goal is more accountability and businesslike performance, then I believe it's critical to give the organization the tools necessary to achieve that goal.

August 9, 1989

Given the large percentage of the System's costs attributable to labor, I would argue it's imperative to give direct responsibility over labor relations to the authority if it's going to have a reasonable chance to succeed.

I think you can also craft an argument that the AMHS may improve its basic management performance quicker because under an authority structure there should be more public and legislative scrutiny and visibility. This is very difficult to predict, and may not materialize if there's a long "honeymoon" period. Frankly, given the current demands for AMHS service increases and general revenue trends, I doubt there will be much patience in waiting to see performance improvement.

A final argument that holds value is that making the AMHS an authority will make the job of running DOT&PF that much easier. As a general matter, this would be true. The AMHS has clearly taken probably 20% of my time, which means I don't spend that time on other parts of the department. On the other hand, removing the AMHS from the department defeats one of the primary purposes for creating an integrated, multi-modal DOT&PF. Having management for all modes under one structure should mean more efficient service delivery, particularly in Southeast where the modes are intricately interlinked. It is debatable whether this has yet happened after twelve years, and certainly coordination of the planning effort can occur regardless.

This latter point is a consideration that deserves careful review and discussion. I think it's premature to declare DOT&PF a failed experiment. Given the role of transportation in a state like Alaska, I firmly believe it's imperative to have a well-structured and managed DOT&PF managing the state's transportation systems. Whether that means direct and full responsibility for all modes and systems is debatable. Clearly part of the department's problem has been the lack of top management continuity. On the other hand, I would submit that great strides have been made in the last four or five years irrespective of the continuity issue.

Key Authority Issues

If a decision is made to pursue establishment of an authority to run the AMHS, there are a number of key policy issues that must be addressed correctly if the new organization is to be successful. The following is a partial listing of the major items:

- (1) Findings and Purpose: There is a need to articulate clearly the basic purpose and mission expectations.

- (2) Employees/Labor Relations: Will the employees be employees of the state or the authority? Will the authority have direct control over the labor relation functions, particularly collective bargaining?
- (3) Board Composition: What criteria should govern board composition? Should an employee sit on the board? Should there be other government officials other than the DOT&PF Commissioner
- (4) Budgeting/Revenues: What mechanism will be used to allow expenditure of generated revenues? Should a dedicated fund be pursued? How should subsidy levels be set? What about authority to incur debt, or to carry forward funds for reserve purposes?
- (5) Land Ownership: How should this be handled insofar as terminal holdings are concerned? What restrictions, if any, should apply to appropriate land uses? Should any powers of eminent domain be granted?
- (6) Legal Services: Should the AG serve as legal counsel, or should that be left up to the authority similar to the ARRC?
- (7) Regulatory Oversight: What regulatory oversight, if any, should govern rate-setting and major service changes? What limitations should govern competition with private sector services?
- (8) Capital Fund Allocation: Most capital needs are provided for through federal-aid highway funds. How should this funding support be ensured? Should it continue to pass through the DOT&PF?
- (9) Transportation Planning/Coordination: What steps should be taken, if any, to ensure adequate transportation planning and coordination occurs with DOT&PF?
- (10) Procurement: What exceptions, if any, will apply to the authority's procurement requirements?
- (11) One-Time Costs: Initial estimates are that establishing an AMHS authority will result in one-time costs of approximately \$450,000, and that added, ongoing costs will run about \$300,000. How should these expenses be funded?

- (12) DOT&PF Services: DOT&PF currently performs a number of support service, many of which are funded as part of overall department operations (e.g., accounting support; computer services; right-of-way support). Who should perform these services? How should they be funded? The AMHS also provides some transportation support for other department functions. How should this be handled?

Findings/Recommendations

As is probably evident by the analysis, I have serious reservations about the advisability of pursuing legislation at this time to establish a public authority to run the AMHS. Nor am I convinced that an authority is necessary to accomplish the goal of efficiently operating the AMHS. Without more work leading to the development of a widely held consensus identifying the basic, long-term mission and explaining clearly what changes are desired and why, I think at a minimum it is premature to conclude that an authority is the way to go.

I also think it's unrealistic to expect passage of such a comprehensive restructuring in a single legislative session, at least if the desire is to obtain good legislation. It should also be understood that putting the AMHS through such a change will mean additional chaos in performance of basic management duties for at least one to two years. Just when we're beginning to demonstrate some headway in this area, I'd hate to lose ground to implement what may be an out-of-focus reaction to problems largely beyond the System's control.

At the same time, I realize there is a need¹ to provide leadership for the legislature and the public to address both the real and perceived shortcomings with the status quo. Accordingly, I recommend adoption of the following course of action as a more realistic, yet responsive approach:

- (1) Announce an awareness by the administration of the problems due to current budgetary pressures, long standing AMHS deficiencies, and lack of a current, publicly-held, focused mission.
- (2) Acknowledge efforts and successes of current management team to tackle basic problems. Concurrently, acknowledge that you believe basic structural changes may be needed, but first more work is needed to address #1 above. Perhaps offer you sense of what that mission should be and how some of the current budget issues should be confronted.

- (3) Announce a special effort to analyze these issues, with particular emphasis on historical trends involving service changes and AMHS efficiency. Some amount of independent scrutiny should be built into this work. This effort should include polling of users (particularly Alaskans) to ascertain concerns, level of satisfaction and views about the long-term mission.
- (4) Depending on whether warranted based on the results under #3 above, commission the AMHS Advisory Board to perform the following tasks: (a) help articulate answers to #1 above; and (b) propose organizational adjustments if warranted, with special attention to the authority and any specific legislation that should be pursued. This results of this work could be given to the new administration for action during 1990.

I realize this won't be well received by some quarters advocating immediate action. Nevertheless, I believe it's the more responsible way to handle a fairly significant issue. One way to accommodate those who want more now would be to pursue revenue-based budgeting for FY 91 and commit to increments to restore the System's purchasing power to ensure a level of service closer to levels prior to FY 89. Both are responsible positions, and I intend to advocate something like this during the upcoming budget process.

If after reviewing this material, you decide we should pursue an authority structure now, then it's imperative we marshal the necessary resources promptly in order to competently and thoroughly address this matter. This includes ensuring drafting and passage of competent legislation, and funding the costs to carry out establishment of the authority.

Attachment

cc. Garrey Peska, Chief of Staff, Office of the Governor
Bob Evans, Legislative Liaison, Office of the Governor
Ron Clarke, Special Staff Assistant, Office of the Governor
W. Keith Gerken, Deputy Commissioner, Operations
George Davidson, System Director, Alaska Marine Highway System

MEMORANDUM

State of Alaska
Department of Transportation & Public Facilities

TO: John McGrath
Senior Construction Manager
Marine Facilities Engineering
Alaska Marine Highway System

DATE: March 25, 1986

FILE NO:

TELEPHONE NO: 465-2734

FROM: George Diry
Naval Architect
Marine Facilities Engineering
Alaska Marine Highway System

SUBJECT: FAST FERRIES
Selection Program

Late 1986 will bring AMHS the first funds to implement a FAST FERRY SYSTEM.

To embark on a shopping spree is tempting, but a product selected on claims and brochures may prove deceptive. The first purchase will have lasting consequences, and for all its long range savings expectations to be realized the new fleet will have to be objectively selected.

A. Operational Factors, Anticipated Variations

The new vessel breed will increase operating risks due to size and speed relating to:

- the relative importance of the sea conditions
- Potential personal liabilities from passengers and neighboring small crafts.
- Higher collision probability w/submerged or semi-submerged objects.

The upkeep costs will also be proportionally greater because, among other reasons, of the maintenance operation frequency of the main machinery.

The vessels may require the integration of new docking facilities for it may be unfair thinking to expect a craft with performance requirements so much more stringent than the existing vessels, combined with weight and size restrictions, to also have a geometry permitting ready adaptation to the existing not too flexible and inconsistent docking system. The McNamara aircraft syndrome is an easy trap to the laymen.

Because the sea conditions in the Southeast are known to sometimes become extremely severe for small craft, in a short time period, the integration of a wave report/warning system should become a mandatory part of the new infrastructure. It will supply in advance the degree of discomfort to be expected and warn of desired run cancellation. Such information will of course be made public and likely improve safety for the pleasure and fishing craft fleet in the Southeast.

I have done something
on their subject w/ research
and C-14. (1)

B. Need for Comparative and Qualifying Data:

The merits and performance of a vessel can only be appreciated in relation and comparatively to others. To test a given type and size vessel is only valid if the data can be correlated with much more extensive data from a sister vessel or a model, which verifies the cases tested in specific environmental conditions and by extrapolation can validate predictions of overall performance under all other conditions. Such data can be compared from vessel to vessel, using good judgement not to compare apples and bananas as so often is done from a marketing position.

Selecting a candidate without such solid data comparison can lead to substantial shortcomings. Differences as high as 50% will exist between valid candidates in areas which will directly affect economy, comfort, survivability and the environment. The line of vessels we are contemplating does not have a learned history and its data bank is all but non-existent. ✓

To provide a sound and reliable comparative data base for the selection process, we propose the following approach delineated over seven (7) phases. Results from the resulting data collection will also reveal needed quantified values for design and operational constraints.

1. Establishing some dynamic designs parameters:

The seaway can produce degrees of discomfort, vessel stresses and contributes to endangering the vessel(s). In lieu of wave riding buoys records, which are not available, we will collect and analyze available data for the Southeast and more specifically for the first fast ferry route contemplated. In addition to sources like NOAA and AEIDC we shall conduct interviews with selected small vessels operators and officers of the AMHS fleet. } see note (1)

The goal is to arrive to a range of significant wave lengths and heights, with an estimated histogram, which will:

- 1) Produce absolutes for testing the responses of the various candidate vessels in significant exciting zones.
- 2) Provide guidelines for the rating factor to be later integrated in the evaluation process.

This first phase can be initiated in-house. In which case the only extra expenses would be travel to the different locations required for observations and interviews. The time period can be between now and phase 3.

2. Candidate survey/R.F.P.

The candidates will rally on a R.F.P. which will specify the following design factors:

- A description of the payload, cargo and passengers, as determined by the master plan, or as can be assumed within acceptable tolerance.
- The speed, or speed range contemplated, and some elaboration on practical use of that speed.
- A range of waves into which the vessel(s) will be operating.
- The R.F.P. may contain a brief description of the existing docking facilities.

The R.F.P. will require a cost, FOB Ketchikan for consistency, of the vessel as proposed from a builder licensed by the designers if such agreements are applicable.

The R.F.P. text will describe the anticipated model(s) test program, provide proprietary rights warranty, and require the minimum technical information of the proposed craft which will enable model testing and consideration of other main evaluation factors. To prevent an avalanche of "freaky" candidates it has been suggested that a nominal contributory sum or fee be collected from every applicant, say \$1,000. In addition, general description of vessels that can be considered could eliminate candidates which would require testing beyond the scope of the program contemplated.

Once the main design parameters have been accepted the writing of the R.F.P. scope can probably be done in a month, and require another month for general review, including a legislature panel, prior to publication.

The work can be all in-house. The extra cost limited to advertising - say \$10,000.

The total span period would approximate 4 months including 2 weeks publication and allowing 45 days response time.

3. Candidates data collection

A cursory examination will be done of the respondents documents. If lack of, or inadequate technical data is supplied and does not allow investigation through model testing, the candidates are eliminated and their contribution refunded.

The lines and body plans furnished will all be prepared in the same format and reduced to the same model scale. The necessary physical data will be compiled, standardized and presented in concise table form.

all prices quoted will need readjustment(s) (c)

March 25, 1986

The reproducing and printing costs for that phase would approximate \$4,000 including a trip to the photographer to verify final prints. This phase will be all in house time and should not extend two weeks beyond the RFP response period.

4. Model making and tank testing proposals

With the models characteristics "scopes of work" will be prepared for model makers and testing tank institutions. This will be in-house and can be accomplished over a month period. It will be advantageous to restrict the number of bidding candidates to the minimum, for the spreading of candidates could actually expand worldwide and the necessary verification and supervisory process would become too costly.

This process could be accomplished in a month, but because the contractual amount will reach substantial sums the scheduling may be tied to our flexibility in dealing with the program. We could accelerate the response time to 10 days for the models and 1 month for the tow basin which have to be scheduled after the models are completed.

5. Model Making -

It is hard to anticipate how many model candidates will be proposed but between crew boat type and catamarans the total may reach 10.

Using this number as a base we can anticipate an average cost of \$3,000 per model, ± \$200 depending upon the number involved.

The delivery could have a required limit of 45/60 days.

To the model cost will be added a survey trip to verify acceptability. This acceptance survey shall occur prior to delivery.

6. Model Testing -

The anticipated charge for an estimated 25 working days required in the basin, assuming 10 models treated following a pre-established elimination schedule, will approximate \$100,000. For this amount the necessary model weighing balancing, marking, etc. will be done, and reduction of the base data, without special report can be prepared.

Scaled movies advisable for a few finalist (2 or 3) in motion phases could cost an additional \$3/4,000. The constant supervision necessary to guarantee this functional and meaningful accelerated test program will cost a trip, plus per diem which amounts to an additional \$4,000.

This sum is the only one retaining its estimated value.

March 25, 1986

7. Technical/Economical Evaluation -

It is suggested that the Alaska DOT/PF research group be in charge of this evaluation program. A panel of selected members, with exterior additions when appropriate from the University of Alaska and DOT/PF would prepare, between now and phase 7, the necessary comparison tables and matrices. They would have established the different rating multipliers to be applied, including economical and operational factors. After phase 6 the panel will be given a general technical presentation and the tests results from which it can proceed with the selection/rating process.

Concurrently to this work a project by our research group is likely to supply the evaluating committees with useful results directly tied with our fast ferry testing. The mathematical models developed under this program could give technicians new tools to evaluate various design factors and certain basic parameters which influence stability, structural stresses, etc..... However from the latest news this program funding may come too late for timely answers.

GD/mh

cc: Joe Camp - Deputy Commissioner, AMHS
Stan McAlister - Transportation Planner, Marine Facilities Engineering, AMHS
Harold Moeser - Director, Marine Facilities Engineering, AMHS

FERRY CORPORATION ACT**CHAPTER 128****Interpretation****1. In this Act**

- "corporation" means the British Columbia Ferry Corporation established under this Act;
- "board" means the board of directors of the corporation;
- "ferry" means any and all methods and means of water transport including, but not limited to, ships, boats, vessels, barges, hydrofoils and hovercraft;
- "ferry system" means the undertaking carried on by and the assets used and operated by the British Columbia Ferries Division of the Ministry of Energy, Transport and Communications that, immediately prior to the transfer date, were vested in the Crown in right of the Province;
- "terminals" includes buildings, fixtures, structures, docks, wharves, ramps, landings, approaches, ways, offices and other improvements and facilities, other than land, necessary for or incidental to the operation of ferry, shipping and related services and incidental facilities and improvements;
- "transfer date" means January 1, 1977.

1976-8-1

Corporation established

2. (1) There is established a corporation, to be known as the British Columbia Ferry Corporation, consisting of not more than 9 persons appointed as directors under section 3, who constitute the board.

(2) The corporation may operate under the name "B.C. Ferries" or "British Columbia Ferries", or such other name as the Lieutenant Governor in Council may designate.

(3) The corporation is an agent of the Crown in right of the Province.

(4) The Minister of Finance is the fiscal agent of the corporation.

1976-8-2.

Directors

3. (1) The Lieutenant Governor in Council shall appoint the directors of the corporation, who shall hold office during pleasure.

(2) The Lieutenant Governor in Council shall appoint one of the directors as chairman.

(3) The corporation shall pay to the chairman and other directors the salaries, directors' fees or other remuneration and expenses as the Lieutenant Governor in Council may determine.

(4) A majority of the directors holding office constitute a quorum at meetings of the board, and the affirmative votes of a majority of the directors present at a meeting at which a quorum is present are sufficient to pass any resolution of the corporation.

(5) The board shall meet at least quarterly to determine the policies of the corporation and to supervise and review its affairs.

(6) The directors shall manage the affairs of the corporation or supervise the management of those affairs and may

- (a) exercise the powers conferred on them by and under this Act;
- (b) exercise the powers of the corporation on behalf of the corporation; and
- (c) delegate the exercise or performance of any power or duty conferred or imposed on them to any person employed by the corporation.

(7) The board may pass the resolutions it considers necessary or advisable for the management and conduct of the affairs of the corporation and the exercise of its powers or duties including, without limiting the generality of the foregoing, resolutions respecting the calling and holding of meetings of the board and the procedure to be followed at the meetings.

(8) A resolution in writing, signed by all the directors, is as valid and effectual as if it had been passed at a meeting of directors duly called and constituted.

1976-8-3.

Capitalization

4. The authorized capital of the corporation is one million shares without par value, but the maximum consideration for the issue of all the shares of the corporation shall not exceed \$100 million.

1976-8-4.

Officers and employees

5. (1) The directors shall appoint a general manager to hold office during the pleasure of the board and the directors shall fix the salary to be paid to the general manager.

(2) The directors shall define the duties of the general manager.

(3) The directors, or, if authorized by the directors, the general manager, may appoint the officers and employees considered necessary to carry on the business and operations of the corporation, and may define their duties, determine their remuneration and provide a system of organization to fix responsibility and promote efficiency.

(4) The *Public Service Act* and the *Public Service Labour Relations Act* do not apply to the officers and employees of the corporation.

(5) The *Pension (Public Service) Act* applies to the corporation and its employees and

- (a) the corporation and its employees shall be deemed to be an employer and its employees within the meaning of that Act;
- (b) the corporation shall make the deductions from the salaries of the employees as required under section 6 of that Act and pay the money to the Commissioner under that Act; and
- (c) the corporation shall, in addition, pay to the Commissioner employer's contributions in amounts equivalent to the employees' contributions made under sections 6 (1) and 7 (1) of that Act.

(6) The corporation may require a bond under the *Bonding Act* from such of its officers and employees as it may designate.

1976-8-5.

Objects and powers

6. The objects of the corporation are, and it has the power and capacity,
- (a) to establish, operate, administer and maintain a ferry, shipping and related service, including, subject to section 7 (1), the ferry system, and to engage in any other business or undertaking necessary or incidental to the operation of a ferry, shipping or related service;
 - (b) to acquire by any means except expropriation, to charter, to hold in its own name, and to use and operate ferries and terminals and such other property and assets, both real and personal, as are considered by the corporation to be necessary or required for the conduct of its operations, and to use and operate the ferries, terminals and other property and assets acquired for ferry, shipping and related purposes;
 - (c) subject to the approval of the Lieutenant Governor in Council, to lease, charter, mortgage, sell or otherwise dispose of ferries and terminals and other properties and assets, both real and personal, the corporation holds;
 - (d) to undertake such construction and reconstruction of ferries or terminals as in the opinion of the corporation is necessary or required for the conduct of its operations;
 - (e) subject to the approval of or on the direction of the Lieutenant Governor in Council, to add or delete routes of the ferry or shipping service carried on by the corporation;
 - (f) to enter into agreements with or accept grants or fees for services from persons, corporations, municipalities or regional districts and other governmental authorities or any of their agencies, for the purposes of this section;
 - (g) to invest or loan the funds not otherwise required for the purposes of the corporation in those investments or loans authorized by the Lieutenant Governor in Council;
 - (h) subject to the approval of the Lieutenant Governor in Council, to acquire by any means, except by expropriation, the whole or any part of the property, assets and undertaking, and to assume in whole or in part the obligations and liabilities of any person carrying on or entitled to carry on activities which the corporation is authorized to carry on or which can be carried on incidental to, or in connection with, the exercise of the objects and powers of the corporation;
 - (i) subject to the approval of the Lieutenant Governor in Council, to acquire all or any of the shares of another corporation, incorporated for the purpose of, or engaging in, the operation of ferry, shipping and related services, or in any other business necessary or incidental to the operation of ferry, shipping and related services;
 - (j) subject to this Act, to borrow such money as the corporation considers necessary or advisable and to issue notes, bonds, debentures and other securities for that purpose; and
 - (k) to do the things not inconsistent with this Act it considers necessary or advisable for carrying out any of its objects and powers.

1976-8-6.

Acquisition of assets

7. (1) The ferry system, subject to the additions or exclusions as may be designated by the Lieutenant Governor in Council, shall be transferred to and vested in the corporation on the transfer date and at the value determined by the Lieutenant Governor in Council.

(2) With effect on the transfer date, the corporation shall allot and issue, to the Crown in right of the Province, shares in the capital of the corporation at a price, or for a consideration, equal to the aggregate of

- (a) the value of the ferry system as determined under subsection (1); and
- (b) the money paid to the corporation on or before the transfer date for the purchase of shares pursuant to section 19 (1) (a).

(3) The shares in the corporation shall be registered in the name of the Minister of Finance and shall be held by him on behalf of the Crown.

1976-8-7.

Financial administration

8. (1) The corporation shall establish and maintain an accounting system satisfactory to the minister, and shall, whenever required by him, render detailed accounts of its revenues and expenditures for the period or to the day as he may designate.

(2) All books or records of account and other financial records shall at all times be open for inspection by the minister or such other person as he may designate.

(3) The Minister of Finance may direct the Comptroller General of the Province to examine and report to the Treasury Board on any or all of the financial and accounting operations of the corporation.

(4) The accounts of the corporation shall, at least once in every year, be audited and reported on by an auditor appointed by the Lieutenant Governor in Council, and the costs of the audit shall be paid by the corporation.

(5) The minister shall lay before the Legislative Assembly annually

- (a) a report of the corporation of its operations for the preceding fiscal year; and
- (b) a financial statement showing the assets and liabilities of the corporation at the end of the preceding fiscal year and the operations of the corporation for that year, in the form as may be required by the minister.

(6) The report and financial statement referred to in subsection (5) shall be laid before the Legislative Assembly within 90 days next following the end of the fiscal year for which the report and statement are made if the Legislative Assembly is then sitting, otherwise within 15 days after the opening of the next following session.

(7) The financial statement referred to in subsection (5) shall be prepared in accordance with generally accepted accounting principles.

(8) The *Financial Information Act* applies to the corporation.

1976-8-8.

One fund

9. All funds, including borrowings, income and revenue that come into the hands of the corporation, whether as agent, trustee, owner or otherwise, shall form one fund out of which the corporation shall pay all expenditures necessary for its purposes.

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and the corporation shall account for the fund and all payments out of it in its annual report.

1976-8-9.

Fiscal year

10. The fiscal year end of the corporation is March 31.

1976-8-10.

Operations

11. (1) The corporation, subject to the approval of the Lieutenant Governor in Council or such board, commission or other body as he may designate, shall fix the fares, tolls and other charges for the use of the ferry, shipping and other related services under its jurisdiction.

(2) The corporation, in fixing fares, tolls and other charges, shall give consideration to the costs of operating and maintaining ferries, terminals and its other properties and assets and the amount required annually to meet depreciation and interest charges.

1976-8-11.

Acquisition of land by minister

12. (1) On behalf of the corporation and subject to the approval of the Lieutenant Governor in Council, the minister charged with the administration of the *Ministry of Transportation and Highways Act* may, in accordance with that Act, acquire such land as may be necessary for the purposes of this Act.

(2) Unless otherwise directed by the Lieutenant Governor in Council, the land acquired under this section shall be vested in and held in the name of the Crown for the use and benefit of the corporation.

1976-8-12; B.C. Reg. 91/79; B.C. Reg. 537/79.

Tenders for works

13. (1) The corporation shall invite tenders by public advertisement for the construction, modification or repair of ferries or terminals involving capital expenditures unless

- (a) the corporation considers that compliance with this section would cause a delay that would be contrary to the public interest; or
- (b) the work could be more expeditiously and economically executed by the officers and employees of the corporation.

(2) The corporation shall open in public all tenders received pursuant to subsection (1), at a time and place stated in the advertisement inviting the tenders, and the amount of each tender shall then and there be publicly announced or made available for inspection by any person.

1976-8-13.

Borrowing powers

14. (1) Subject to the approval of the Lieutenant Governor in Council and within the borrowing limitations prescribed by section 16, the corporation, for the purpose of carrying out any of the objects or powers referred to in this Act or for the

exercise of any power, right, function or duty conferred or imposed on it under this or any other Act, may borrow such money as it may consider necessary or advisable and may issue notes, bonds, debentures and other securities bearing interest at the rates and payable as to principal and interest in the currencies and at the places and times and in the manner as the corporation may determine.

(2) The notes, bonds, debentures and other securities of the corporation may be made redeemable in advance of maturity at the times and at the prices as the directors of the corporation may determine at the time the securities are issued.

(3) The corporation may borrow and issue securities in such amount as will realize the net sum required by the corporation for its purposes, and a recital or a declaration in a resolution of the corporation authorizing the issue of securities to the effect that the issue of the securities so authorized is being made for the purposes of the corporation and that the amount is necessary to realize the net sum required for the purposes of the corporation is conclusive evidence of the fact.

(4) Subject to the approval of the Lieutenant Governor in Council, the corporation, on the terms and conditions considered necessary or advisable, may sell, exchange or otherwise dispose of the notes, bonds, debentures and other securities of the corporation, and either at par value or at less or more than par value, and may charge, pledge, hypothecate, deposit or otherwise deal with the securities as collateral security, and may do any of these things.

(5) Securities of the corporation, dealt with as collateral security, when

(a) redelivered to the corporation or its nominees on or after payment, satisfaction, release or discharge, in whole or in part, of any indebtedness or obligation for which the securities may have been given as collateral; or

(b) the corporation again becomes entitled to the securities, may be treated by the corporation as unissued and, subject to the approval of the Lieutenant Governor in Council,

(c) may be issued, reissued, charged, pledged, hypothecated, deposited, dealt with as collateral security, sold or otherwise disposed of on the terms and conditions the directors of the corporation may consider necessary or advisable; or

(d) at the option of the corporation, may be cancelled, and in that case, subject to the approval of the Lieutenant Governor in Council, fresh securities in the same amount, in similar form and with similar consequences may be issued instead, and on the issue or reissue a person entitled to them has the same rights and remedies as if the securities had not been previously issued.

but the borrowing power of the corporation shall be deemed not to have been affected by the issuance, reissuance, pledging, depositing or selling of the securities under this section.

(6) The notes, bonds, debentures and other securities of the corporation shall be in the form as may be determined by the directors of the corporation, subject to the approval of the Minister of Finance.

(7) The bonds, debentures and other securities shall bear the seal of the corporation and, together with the coupons, if any, attached, shall bear the manual, engraved, lithographed or printed signatures of the chairman and secretary of the corporation or such other directors or officers of the corporation as it may determine.

(8) The directors of the corporation may provide that the seal of the corporation may be engraved, lithographed, printed or otherwise mechanically reproduced on any security to which it is to be affixed.

(9) The seal of the corporation when so mechanically reproduced shall have the same force and effect as if manually affixed, and the mechanically reproduced signatures shall for all purposes be valid and binding on the corporation, notwithstanding that the person whose signature is so reproduced has ceased to hold office before the date of the security or before its issue.

(10) Subject to any restriction that may be placed on it by the Lieutenant Governor in Council and within the borrowing limitation prescribed by section 16, the corporation may also borrow, by way of temporary loans from any person, the sums on the terms, for the purposes and on the conditions as the directors of the corporation may determine, by way of bank overdraft or line of credit, or by the pledging as security for the temporary loans of notes, bonds, debentures or other securities of the corporation pending their sale or in lieu of selling them, or in whatever other manner the directors of the corporation may determine. Any cheques, promissory notes or other instrument that may be necessary or advisable in connection with borrowing money and obtaining advances by way of such temporary loans may be executed in whatever manner the directors of the corporation may determine.

(11) The Minister of Finance, as fiscal agent of the corporation, may arrange all details and do, transact and execute all deeds, matters and things that are requisite during the negotiation of a loan or for the purpose of placing a loan.

(12) Money raised by the corporation under this section shall be paid by the corporation into the fund established under authority of section 9.

(13) The corporation, except in the case of a temporary loan of a term not exceeding 5 years and of issues of securities repayable in instalments of principal, shall set aside in each year during the period mentioned in this subsection a sum that, together with interest compounded annually at a rate determined by the Lieutenant Governor in Council, would be sufficient, irrespective of the dates of maturity of the securities being issued, to provide a sinking fund for the repayment in full of any securities issued by the corporation within a period not exceeding 30 years after the date of issue.

(14) The sums referred to in subsection (13) shall be paid to the Minister of Finance, who shall act as trustee for the corporation, shall establish one or more appropriate sinking fund trustee accounts, and, subject to subsection (15), shall invest the sums and the interest earnings in securities of Canada or any province, or in securities the principal and interest of which are guaranteed by Canada or any province.

(15) Notwithstanding anything in this Act, the corporation may make such other provisions as may be approved by the Lieutenant Governor in Council for the payment by the corporation to the Minister of Finance as trustee for the corporation of a sinking fund for the repayment at or before maturity of the whole or any part of securities issued by the corporation and for the application from time to time by the Minister of Finance on behalf of the corporation of the whole or any part of the sinking fund so paid and any interest earnings to the purchase, and, in the case of securities issued subject to redemption in advance of maturity, to the redemption by call of those securities, and the Minister of Finance shall apply the sinking fund in accordance with the provisions so approved, and securities purchased or redeemed may be retained in the sinking fund, and, if retained, may be cancelled on the authorization of the Lieutenant Governor in Council.

Authorization to borrow from *Canada Pension Plan*

15. (1) Notwithstanding anything in this Act, the corporation may, in the bylaw or resolution under section 14, authorize the Minister of Finance or, with the concurrence of the Minister of Finance, authorize the Minister of Finance of Canada to determine any matter required to be determined under section 14 for the purpose of

- (a) borrowing money from the Canada Pension Plan Investment Fund established under the *Canada Pension Plan*; and
- (b) issuing and selling to the Receiver General and Minister of Finance of Canada for the credit of the Canada Pension Plan Investment Fund debentures as security for the loans.

(2) Subsection (1) shall be conclusively deemed to have been the law since January 1, 1977 and is retroactive to the extent necessary to give effect to its provisions on and after that date, and every bylaw or resolution passed under section 14 since that date for the purpose of borrowing money from the Canada Pension Plan Investment Fund shall be conclusively deemed to grant the authorization referred to in subsection (1), and debentures issued and sold to the Receiver General and Minister of Finance of Canada under section 14 are validated and confirmed.

1978-21-3.

Maximum borrowing power

16. The aggregate of the sums that may be borrowed under the authority of this Act, after payment of discount, commission, brokerage and all other expenses of all loans, shall not exceed the aggregate net sum of \$250 million, and in computing that aggregate net sum the following shall be excluded:

- (a) sums borrowed by the corporation for any of the purposes of
 - (i) repayment on account of advances by the Crown to the corporation or repayment of notes, bonds, debentures or other securities of the corporation purchased by the Crown;
 - (ii) payment, refunding, exchange or renewal of the whole or any part of a loan raised or security issued by the corporation, except to the extent that a sinking fund is available for the payment of the loan or securities, and a recital or declaration in a resolution of the corporation authorizing the issue of securities as to the amount of a sinking fund so available is conclusive evidence of the fact; or
 - (iii) payment of the whole or any part of a loan, a liability or bonds, debentures or other securities, payment of which is guaranteed or assumed by the corporation;
- (b) sums borrowed by the corporation that have been repaid by the corporation otherwise than out of the proceeds of the sale of securities of the corporation issued for the purpose;
- (c) sums borrowed by the corporation to repay in whole or in part outstanding temporary loans of the corporation;
- (d) the amount of debt of any person assumed by the corporation or money borrowed to repay the debt so assumed;
- (e) securities of the corporation hypothecated or pledged by the corporation as collateral security for temporary loans of the corporation, except to the extent that the net sum realized on any subsequent sale by the corporation

of such securities exceeds the amount of the temporary loan paid or to be repaid from the proceeds of the sale.

1976-8-15.

United States dollar equivalent

17. For the purpose of calculating the sum to be set aside for a sinking fund under section 14 (13) in respect of securities payable in United States dollars, \$1 in lawful money of Canada shall be deemed to be the equivalent of \$1 in lawful money of the United States of America.

1976-8-16.

Government guarantee

18. (1) The Crown may, on terms as the Lieutenant Governor in Council approves, guarantee

(a) the payment of principal and interest; and
(b) the performance of any obligation for the payment of money, of the notes, bonds, debentures and other securities issued by the corporation.

(2) The Lieutenant Governor in Council may authorize

(a) the Minister of Finance; or
(b) an officer of the Ministry of Finance,

to sign the guarantee on behalf of the Crown, and the signature of that person on the guarantee is conclusive proof that this section has been complied with.

(3) The guarantee, in the form and manner the Lieutenant Governor in Council approves, may be endorsed on the notes, bonds, debentures and other securities issued by the corporation and the signature of the person authorized to sign the guarantee may be reproduced by engraving, lithographing, printing or other means.

(4) The reproduced signature of a person referred to in subsection (3) shall for all purposes be deemed to be the signature of that person and is binding on the Crown notwithstanding

(a) that the person whose signature is reproduced did not hold office at the date of the notes, bonds, debentures or other securities or at the date of their delivery; or

(b) that the person who holds that office at the date the signature is affixed is not the person who holds that office at the date of the notes, bonds, debentures or other securities or at the date of their delivery.

(5) Money required to be paid by the Crown in respect of a guarantee given under this section shall be paid out of the consolidated revenue fund without an appropriation other than this Act.

1976-8-17.

Subsidies from government

19. (1) During the first fiscal period of the corporation, the Minister of Finance may, for the purpose of providing financial assistance to the corporation for such fiscal period, apply a sum not exceeding \$25 million

(a) for the purchase of shares in the capital of the corporation; and
(b) for a grant to the corporation

in the proportions as he may determine, and the money required shall be paid out of the consolidated revenue fund without an appropriation other than this section.

(2) The Lieutenant Governor in Council, on the recommendation of the Minister of Finance, may authorize the Minister of Finance to pay to the corporation ~~in its 1977 fiscal year and in each subsequent fiscal year~~ a sum of money, to be known as the annual highway equivalent subsidy, ~~that is, in the opinion of the Lieutenant Governor in Council, substantially equivalent to the aggregate of the annual cost of maintaining, and the annual amortization of the capital cost, of lengths and classes of highways in the Province which, in the opinion of the Lieutenant Governor in Council, are substantially equivalent to the ferry routes operated by the corporation, the sum to be calculated in accordance with a formula to be approved by the Lieutenant Governor in Council.~~

B.C. Legislature
 appropriate subsidy
 annual highway
 budget process
 deleted

1976-8-18.

Additional funds from purchase of shares or loans

20. In addition to any other money authorized to be paid under section 19, the Lieutenant Governor in Council may, by order, authorize the Minister of Finance to

- (a) purchase unissued shares of the corporation;
- (b) purchase notes, bonds, debentures or other securities of the corporation; and
- (c) advance money to the corporation for its temporary or long term purposes on the terms and conditions as the Lieutenant Governor in Council may determine.

and the money required shall be paid out of the consolidated revenue fund without an appropriation other than this section.

1976-8-19.

Exemption from taxation

21. The corporation, as an agent of the Crown, is not liable to taxation, including taxation on improvements, except in so far as the Crown is liable.

1976-8-20.

Transfer of Ferry Authority

22. (1) On the transfer date, all rights, properties and assets remaining vested in and all liabilities of the British Columbia Ferry Authority established under the *British Columbia Ferry Authority Act*, not transferred to and vested in the Crown in right of the Province by the *British Columbia Ferry Authority (Vesting) Act, 1968* are transferred to, vested in and assumed by the corporation, including, in particular,

- (a) all the liabilities of the British Columbia Ferry Authority in respect of the payment of the principal and interest on the outstanding bonds and debentures of the British Columbia Ferry Authority; and
- (b) all money and investments in or forming part of the sinking funds established for the repayment of those bonds and debentures of the British Columbia Ferry Authority.

(2) On the transfer date, the *British Columbia Ferry Authority Act* and the *British Columbia Authority (Vesting) Act, 1968* are repealed and the British Columbia Ferry Authority is dissolved.

(3) Notwithstanding the repeal of the *British Columbia Ferry Authority Act* and the *British Columbia Ferry Authority (Vesting) Act, 1968*,

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- (a) the unconditional guarantee by the Crown of the payment of the principal of and interest on the bonds and debentures of the British Columbia Ferry Authority remains valid and binding according to its tenor; and
- (b) in the event that the assets of the sinking fund described in subsection (1) (b) are insufficient to discharge the liabilities described in subsection (1) (a) at the time when payments of those liabilities are required to be made, the sums required to discharge those liabilities shall be paid out of the consolidated revenue fund without an appropriation other than this section.

1976-8-21.

Employees of ferry system

23. (1) On the transfer date, those public service employees as defined in the *Public Service Act*, who are working for the ferry system, are, notwithstanding the *Public Service Act*, employees of the corporation and shall cease to be public service employees and shall be deemed, with effect from the transfer date, to have been appointed pursuant to and for the purposes of section 5 (3).

(2) On the transfer date, every public service employee who, prior to that date had been confirmed in his appointment under the *Public Service Act* and who is subject to appointment to the corporation under subsection (1),

- (a) shall not suffer any reduction in salary by reason only of his appointment under subsection (1);
- (b) is entitled to equivalent superannuation or pension plan benefits as he is entitled to in the public service and full credit in respect of his contributions and the contributions of the government on his behalf during his period in the public service; and
- (c) is entitled to participate in the Public Services Medical Plan and to maintain group insurance coverage by an insurance contract under the Public Service Group Insurance Plan.

(3) Any question or difference between the corporation and an employee or a trade union representing employees respecting

- (a) the interpretation or application of this section;
- (b) the interpretation or application of any provision of a collective agreement in force between the Public Service Commission and a trade union referred to in subsection (4); and
- (c) any question arising by reason of subsection (4);

may be referred by the parties or any of them to the Labour Relations Board in accordance with the procedure set out in the *Labour Code* and the regulations under that Act, and the Labour Relations Board may decide the question or difference

- (d) in any of the ways; and
- (e) by applying any of the remedies

available in respect of the settlement of a question or difference under the *Labour Code* with the necessary changes and so far as they are applicable.

(4) On the transfer date, the corporation is bound by every collective agreement in force between the Public Service Commission acting on behalf of the Treasury Board and a trade union acting on behalf of the employees of the ferry service or any of them, as if the corporation were a party to the collective agreement and if

- (a) any provision of the collective agreement is not applicable or is ineffective by reason of references to the Public Service Commission, Public Service Grievance Board, Treasury Board, *Public Service Act* or *Public Service Labour Relations Act*, or for any other reason; and
- (b) the corporation and the trade union representing the employees, after negotiation, cannot agree on an amended provision,

either party may apply to the Labour Relations Board pursuant to subsection (3) and, in addition to the powers of the Labour Relations Board under subsection (3) and under section 53 of the *Labour Code*, the Labour Relations Board may determine a method by which the provision may be made applicable and effective and may order the collective agreement to be amended accordingly.

1976-8-22.

Company Act

24. (1) Notwithstanding section 3 (1) of the *Company Act*, sections 19, 21 (1), 32, 33, 124, 125, 144 to 148 and 152 of that Act apply to the corporation.

(2) The Lieutenant Governor in Council may declare that one or more additional provisions of the *Company Act* apply to the corporation.

1976-8-23.

Ferry Act

25. The *Ferry Act* does not apply to the corporation.

1976-8-24.

Public Service Benefit Plan Act

26. The *Public Service Benefit Plan Act* applies to the officers and employees of the corporation.

1976-8-25.

Regulations

27. The Lieutenant Governor in Council may make regulations.

1976-8-29.

**ALASKA
RAILROAD
CORPORATION
OVERVIEW**

STATE OF ALASKA
THE LEGISLATURE

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

Mary Van Nimwegen

House Transportation

3/13/90

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ALASKA RAILROAD CORPORATION
INCOME STATEMENT
(In Thousands)

	5-YEAR <u>TOTAL</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
<u>OPERATING REVENUE</u>						
FREIGHT	226,239	51,978	41,676	39,371	44,871	48,343
PASSENGER	25,978	4,344	4,574	5,434	5,601	6,025
OTHER	<u>22,592</u>	<u>5,937</u>	<u>6,395</u>	<u>3,494</u>	<u>3,683</u>	<u>3,083</u>
	274,809	62,259	52,645	48,299	54,155	57,451
<u>OPERATING EXPENSE</u>						
TRANSPORTATION	74,100	17,556	15,532	12,568	13,656	14,788
ENGINEERING	56,735	12,310	11,795	10,119	11,263	11,248
EQUIPMENT	58,613	12,571	12,329	10,592	11,077	12,044
OPERATIONS STAFF	3,846	1,100	694	637	558	857
GEN. & ADMIN	53,658	12,648	12,560	9,397	8,964	10,089
RISK MANAGEMENT	12,295	1,673	2,818	1,906	2,010	3,888
DEPRECIATION	<u>15,686</u>	<u>1,455</u>	<u>2,437</u>	<u>3,421</u>	<u>3,878</u>	<u>4,495</u>
	274,933	59,313	58,165	48,640	51,406	57,409
INCOME FROM OPERATIONS	-124	2,946	-5,520	-341	2,119	42
<u>OTHER INCOME (EXPENSE)</u>						
REAL ESTATE INCOME	23,773	4,322	5,274	5,206	4,753	4,218
REAL ESTATE EXPENSE	<u>-1,553</u>	<u>-227</u>	<u>-340</u>	<u>-385</u>	<u>-315</u>	<u>-286</u>
	22,220	4,095	4,934	4,821	4,438	3,932
INTEREST INCOME	1,417	653	214	198	145	207
INTEREST EXPENSE	<u>-5,565</u>	<u>-561</u>	<u>-613</u>	<u>-1,651</u>	<u>-1,526</u>	<u>-1,204</u>
	-4,148	92	-399	-1,463	-1,381	-997
NET INCOME (LOSS)	<u>17,948</u>	<u>7,133</u>	<u>-935</u>	<u>3,017</u>	<u>5,806</u>	<u>2,977</u>
CASH CAPITAL PURCHASES	50,538	7,902	9,279	6,130	7,939	19,288
BORROWED (NET)	<u>19,932</u>	<u>9,054</u>	<u>12,624</u>	<u>-3,969</u>	<u>-1,850</u>	<u>4,073</u>
CAPITAL INVESTMENT	<u>70,470</u>	<u>16,956</u>	<u>21,903</u>	<u>2,161</u>	<u>6,089</u>	<u>23,361</u>

ALASKA RAILROAD CORP.
 1989 YTD. BUDGETED INC./EXP. COMP.
 THROUGH DECEMBER, 1989
 (Thousands of Dollars)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE AMOUNT</u>	<u>VARIANCE PERCENT</u>
REVENUE	61,876	60,690	1,186	2.0%
EXPENSE	<u>53,201</u>	<u>48,640</u>	<u>-4,561</u>	<u>-9.4%</u>
OPERATING SURPLUS	8,675	12,050	-3,375	-28.0%
INTEREST EXPENSE	-1,204	-1,650	446	-27.0%
DEPRECIATION	<u>-4,495</u>	<u>-4,350</u>	<u>-145</u>	<u>3.3%</u>
NET INCOME (LOSS)	<u>2,976</u>	<u>6,050</u>	<u>-3,074</u>	<u>-50.8%</u>

1/30/90

ALASKA RAILROAD CORP.
 1989-1985 YTD. INC./EXP. COMP.
 THROUGH DECEMBER
 (Thousands of Dollars)

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
REVENUE	61,876	59,053	53,701	60,299	67,234
EXPENSE	<u>53,201</u>	<u>47,843</u>	<u>45,602</u>	<u>58,234</u>	<u>58,087</u>
OPERATING SURPLUS	8,675	11,210	8,099	2,065	9,147
INTEREST EXPENSE	-1,204	-1,526	-1,661	-613	-561
DEPRECIATION	<u>-4,495</u>	<u>-3,878</u>	<u>-3,421</u>	<u>-2,437</u>	<u>-1,453</u>
NET INCOME (LOSS)	<u>2,976</u>	<u>5,806</u>	<u>3,017</u>	<u>-985</u>	<u>7,133</u>

1/30/90

ALASKA RAILROAD CORP.
REVENUES BY COMMODITY
(Thousands Of Dollars)

<u>COMMODITY</u>	THROUGH DECEMBER				
	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>
PIPE	1,592	1,440	718	2,190	3,253
COAL	11,418	12,198	11,238	10,098	9,434
PETROLEUM	14,900	13,184	11,582	10,224	11,833
GRAVEL	3,176	2,649	2,738	4,054	7,819
TOFC/COFC	6,766	6,327	5,787	7,601	7,008
INTERLINE	8,982	8,039	6,148	6,677	10,530
MISC. LOCAL	<u>1,508</u>	<u>1,035</u>	<u>1,158</u>	<u>832</u>	<u>2,101</u>
TOTAL FREIGHT	48,342	44,872	39,369	41,676	51,978
PASSENGER	6,026	5,600	5,434	4,574	4,344
REAL ESTATE	4,217	4,751	5,205	5,274	4,322
ALL OTHER	<u>3,289</u>	<u>3,828</u>	<u>3,693</u>	<u>8,775</u>	<u>6,590</u>
TOTAL OTHER	<u>13,532</u>	<u>14,179</u>	<u>14,332</u>	<u>18,623</u>	<u>15,256</u>
TOTAL REVENUE	<u>61,874</u>	<u>59,051</u>	<u>53,701</u>	<u>60,299</u>	<u>67,234</u>

1/30/90

ALASKA RAILROAD CORPORATION
1989 - 1986 YTD. DEPARTMENTAL EXPENSES
(Thousands of Dollars)

DEPARTMENT	THROUGH DECEMBER				VARIANCE PERCENT		
	1989	1988	1987	1986*	89 Vs 88	89 Vs 87	89 Vs 86
RAILROAD:							
TRANSPORTATION	14,788	13,656	12,568	15,532	8%	18%	-5%
ENGINEERING	11,248	11,263	10,119	11,795	0%	11%	-5%
MOTIVE POWER & EQUIPMENT	12,044	11,077	10,592	12,329	9%	14%	-2%
OPERATIONS STAFF	857	558	637	669	54%	35%	28%
TOTAL OPERATIONS	38,937	36,554	33,916	40,325	7%	15%	-3%
GENERAL & ADMINISTRATIVE:							
FINANCE	3,168	3,058	3,768	5,464	4%	-16%	-42%
MARKETING	2,506	2,278	2,171	3,044	10%	15%	-18%
PERSONNEL	1,138	1,075	1,232	1,469	6%	-8%	-23%
LEGAL	816	338	914	957	141%	-11%	-15%
ADMINISTRATION	505	486	573	752	4%	-12%	-33%
COMMUNICATIONS	209	211	175	245	-1%	19%	-15%
CORPORATE OFFICE	1,720	1,779	261	450	-3%	559%	282%
TOT. GEN. & ADMIN.	10,062	9,225	9,094	12,381	9%	11%	-19%
OTHER:							
CONTINGENT ACCRUAL	315	51	686	482	518%	-54%	-35%
RISK MANAGEMENT	3,888	2,013	1,907	2,880	93%	104%	35%
INTEREST EXPENSE	1,204	1,526	1,661	613	-21%	-28%	96%
DEPRECIATION	4,495	3,878	3,421	2,437	16%	31%	84%
TOTAL OTHER	9,902	7,468	7,675	6,412	33%	29%	54%
TOTAL EXPENSES	58,901	53,247	50,685	59,118	11%	16%	0%

*Excludes Flood

1/30/90

ALASKA RAILROAD CORP.
REVENUE / EXPENSE HISTORY
(Thousands of Dollars)

CATEGORY	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
1985 REVENUE	4,003	4,354	4,953	5,721	6,391	6,903	7,204	7,235	6,203	6,139	4,317	3,731	67,234
1985 EXPENSE	3,700	3,936	4,677	4,700	5,700	6,101	6,792	6,644	6,291	5,182	3,990	2,390	60,101
NET PROFIT (LOSS)	303	418	276	1,021	691	722	412	591	2	957	319	1,341	7,133
1986 REVENUE	4,095	4,816	4,021	4,120	4,745	5,549	5,900	5,907	5,153	3,219	3,810	5,910	50,133
1986 EXPENSE	5,028	4,693	4,809	5,478	5,093	5,527	5,110	5,236	4,624	3,797	3,362	6,353	52,110
NET PROFIT (LOSS)	-133	123	-788	-1,358	-348	22	792	751	529	-578	448	-443	-977
1987 REVENUE	3,029	3,104	4,072	3,956	4,405	5,347	5,195	6,402	5,415	4,363	4,146	4,109	53,703
1987 EXPENSE	4,031	3,655	3,855	3,834	4,003	4,664	4,692	5,053	4,915	4,022	3,943	4,012	50,680
NET PROFIT (LOSS)	-1,002	-551	217	122	402	683	503	1,349	500	341	203	177	3,023
1988 REVENUE	3,339	4,108	4,183	4,004	4,934	5,969	5,912	6,187	5,521	5,414	4,667	4,010	59,048
1988 EXPENSE	3,946	4,204	4,336	4,468	4,567	5,050	4,648	4,903	4,211	4,471	4,201	4,237	53,242
NET PROFIT (LOSS)	-607	-96	-153	536	367	919	1,264	1,284	1,310	943	466	-227	5,806
1989 REVENUE	4,113	3,701	4,435	4,385	4,989	5,692	6,866	6,603	6,105	5,743	4,255	4,903	61,876
1989 EXPENSE	4,310	4,333	4,738	4,537	4,749	4,908	5,454	5,214	4,959	5,123	4,983	5,581	58,899
NET PROFIT (LOSS)	-197	-632	-303	-152	240	784	1,412	1,389	1,146	620	-728	-598	2,977

***CONFIRMATION
HEARINGS***

January 31, 1990

The Honorable Sam Cotten
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Cotten:

In accordance with AS 39.05.080 and Article III Sections 25 and 26 of the Alaska Constitution, I submit the following names for legislative confirmation of appointment to the position noted:

DEPARTMENT OF ADMINISTRATION

Commissioner Frank Baxter - Juneau
Appointed 12/1/89

S.A.

BOARDS AND COMMISSIONS:

Alaska State Board of Public Accountancy
Baxter, Frank S. - Juneau
Term began 5/10/89 expires 4/25/93

L + C

Alcoholic Beverage Control Board

Gordon, Michael W. - Anchorage
Original term began 1/28/87 reappointed 12/18/89
expires 1/31/93

~~XXXXXXXXXX~~ HESS

Perkins, Jane C. - Nome

Original term began 10/19/83 reappointed 12/18/89
expires 1/31/93

State Board of Registration for Architects, Engineers, and Land Surveyors

Peratrovich, Jr., Roy - Anchorage
Original term began 9/2/88 reappointed 10/20/89
expires 7/1/93

L + C

Gampson Jones, Sandra L. - Anchorage

Original term began 10/19/83 reappointed 10/20/89
expires 7/1/93

Board of Governors of the Alaska Bar
Lauesen, Beth - Fairbanks
Term began 12/18/89 expires 6/30/92

Jud

Board of Barbers and Hairdressers

Evans, Mark - Fairbanks
Term began 8/28/89 expires 7/1/93
Sadlier, Elaina M.
Original term began 10/1/86 reappointed 8/28/89
expires 7/1/93

L+C

Big Game Commercial Services Board

Alsworth, Glen - Port Alsworth
Term began 8/29/89 expires 6/30/90
Clark, Art - Anchorage
Term began 8/29/89 expires 6/30/93
Doody, Michael J. - Eagle River
Term began 8/29/89 expires 6/30/90
Johnson, Paul E. - Elfin Cove
Term began 8/29/89 expires 6/30/92
Mahay, Stephen T. - Talkeetna
Term began 8/29/89 expires 6/30/91
McClintock, Sharon - Chugiak
Term began 8/29/89 expires 6/30/92
Murray, Remie "Nell" - Kodiak
Term began 8/29/89 expires 6/30/93
Whitney, Clark - Soldotna
Term began 8/29/89 expires 6/30/91

Res

Board of Chiropractic Examiners

Chivers, Betsy - Barrow
Term began 6/7/89 expires 7/15/90
Gundelfinger, D.C., Thomas - Juneau
Original term began 11/12/85 reappointed 8/28/89
expires 7/15/93
Messerschmidt, D.C., Steven D. - Juneau
Term began 10/20/89 expires 7/15/93

Hess

Board of Clinical Social Work Examiners

McMillan, ACSW, Pamela A. - Nome
Original term began 1/13/89 reappointed 7/1/89
expires 7/1/93

Hess

Alaska Commercial Fisheries Entry Commission

Listowski, Richard F. - Juneau
Original term began 3/15/83 reappointed 7/14/89
expires 7/1/93

RES

Board of Dental Examiners

Baxter, Christine A. - Fairbanks
Original term began 1/7/86 reappointed 10/3/89
expires 2/1/93
Peratrovich, George J. - Nome
Term began 10/3/89 expires 2/1/93

Hess

Shaffer, D.M.D., George E. - Ketchikan
Term began 10/3/89 expires 2/1/93
Smole, D.D.S., H. Douglas - Anchorage
Original term began 10/21/87 reappointed 10/3/89
expires 2/1/93

Board of Dispensing Opticians

Camero, Mabelita - Anchorage
Term began 7/14/89 expires 6/14/90
Kleinkopf, Dick - Fairbanks
Term began 6/12/89 expires 6/14/93
Smith, Donald R. - Anchorage
Original term began 9/19/85 reappointed 5/12/89
expires 6/14/93

Hess

Board of Education

Gottstein, Barney - Anchorage
Original term began 12/28/82 reappointed 12/12/89
expires 1/31/95
Gray, Don I. - Fairbanks
Original term began 12/28/82 reappointed 12/12/89
expires 1/31/95

Hess

Board of Electrical Examiners

Parks, Donald R. - Anchorage
Original term began 1/17/89 reappointed 7/1/89
expires 7/1/93

L + C

Board of Fisheries

Ivey, Bernard "Bud" R. - Juneau
Term began 1/31/90 expires 1/31/93
Lyons, Deborah - Petersburg
Term began 1/31/90 expires 1/31/93
Martin, Michael R. - Anchorage
Term began 1/31/90 expires 1/31/93

Res

Board of Game

Huntington, Sidney - Galena
Original term began 2/2/81 reappointed 1/31/90
expires 1/31/93
Maher, Rosemarie - Northway
Term began 1/31/90 expires 1/31/93
Wallen, R.T. "Skip" - Juneau
Term began 1/31/90 expires 1/31/93

Res

State Commission for Human Rights

Otto, Deborah A. - Juneau
Term began 1/16/90 expires 1/31/91

S.A.

Commission on Judicial Conduct

Saunders, Stacey - Anchorage
Term began 5/12/89 expires 12/31/92

Jud

Judicial Council

Roller, Janis G. - Anchorage
Term began 8/28/89 expires 5/18/95

Jud

Board of Marine Pilots

O'Hara, Captain Michael J. - Palmer
Term began 8/28/89 expires 6/1/93

Trsp - pilot position
to S.W
region

Board of Mechanical Examiners

Carey, Raymond G. - Anchorage
Original term began 1/13/88 reappointed 5/12/89
expires 6/9/93

α + C

Board of Nursing Home Administrators

Palmquist, Rose - Wasilla
Term began 10/19/89 expires 10/1/93

Hess

Occupational Safety and Health Review Board

Weiss, Ph.D., Lawrence D. - Anchorage
Term began 10/20/89 expires 8/1/93

Hess

Board of Examiners in Optometry

Matson, O.D., James - Juneau
Term began 11/30/89 expires 6/15/93

Hess

Board of Pharmacy

Murphy, Laura - Fairbanks
Term began 8/21/89 expires 4/1/93
White, Trish - Sitka
Term began 8/21/89 expires 4/1/91

Hess

State Physical Therapy and Occupational Therapy Board

Ingram, Beverly A. - Juneau
Original term began 2/5/88 reappointed 1/18/90
expires 1/1/94
Pomeroy-Horne, Mary - Wasilla
Term began 10/3/89 expires 9/1/93

Hess

Professional Teaching Practices Commission

Holst, John - Ketchikan
Term began 10/17/89 expires 7/1/90
Houghton, Richard C. - Seward
Original term began 9/8/87 reappointed 10/17/89
expires 7/1/92
Weinstein, Robert - Ketchikan
Original term began 7/18/86 reappointed 10/17/89
expires 7/1/92
Wiggins, Roena A. - Anchorage
Term began 10/17/89 expires 7/1/92

Hess

Board of Psychologist and Psychological Associate Examiners

Harper, Ph.D., James F. - Anchorage
Original term began 10/31/86 reappointed 8/28/89
expires 7/1/93

Hess

Wiszinckas, Ph.D., Evelyn - Kodiak
Term began 8/28/89 expires 7/1/93

Alaska Public Offices Commission
Burbank, Winston S. - Fairbanks
Term began 1/18/90 expires 2/1/93

Railroad Labor Relations Agency
Tilsworth, Debbie J. - Fairbanks
Term began 11/30/89 No term

Alaska Public Utilities Commission
Foster, Mark A. - Anchorage
Term began 12/1/89 expires 10/31/93

Board of Veterinary Examiners
Frith, D.V.M., MPH, Paul O. - Fairbanks
Original term began 10/20/89 reappointed 12/12/89 expires 1/31/94

Violent Crimes Compensation Board
Eastaugh, Carol B. - Auke Bay
Original term began 1/29/81 reappointed 11/30/89 expires 12/15/92

Alaska Workers' Compensation Board
Richards, David W. - Juneau
Original term began 1/19/77 reappointed 10/3/89 expires 7/1/92
Thompson, Stephen M. - Fairbanks
Original term began 11/29/85 reappointed 10/3/89 expires 7/1/92

The resumes for these appointments are attached.

Sincerely,

S/S Steve Cowper
Steve Cowper
Governor

Attachment
SC:PF:kn

0109

S.A.
TRSP
L+C
quite

L+C

S.A.

L+C

BOARD: MARINE PILOTS, BOARD OF

BOARD NUMBER: 59

TITLE: Board of Marine Pilots

DEPT: Department of Commerce and Economic Development

AUTHORITY: AS 08.62.010

STATUS: June 30, 1991

REQUIREMENTS: LEGISLATIVE CONFIRMATION

PROHIBITIONS: Cannot serve more than all or part of two consecutive terms.

TERM: 4 years

DESCRIPTION: 7 members - 6 appointed by Governor: 2 licensed pilots actively engaged in piloting vessels (subject to statute), 2 agents or managers of vessels, and 2 public members, plus the Commissioner or his designee of the Dept. of Commerce and Economic Development; not more than one pilot and one agent shall be from any one judicial district; must be Alaska residents; pilots and managers are subject to legislative confirmation.

SPECIAL FACTS:

FUNCTION: Regulates and controls applications, licenses, and permits of marine pilots.

COMPENSATION: Standard travel/per diem.

MEETINGS: 2 times per year; 4 days maximum.

*FOR FURTHER INFORMATION CONTACT: Licensing Examiner, Division of Occupational Licensing, Dept. of Commerce and Economic Development, Box D, Juneau, AK 99811 PHONE: 465-2542

MARINE PILOTS

MEMBER	APPT	REAPT	REAPT	TERM
H. K Elsensohn 119 Austin, Apt. 506 Ketchikan 99901 Pilot/Southeast	87/06/01	0/00/00	0/00/00	91/06/01
Mark A Foster 1220 Chena Ridge Road Fairbanks 99709 Public	88/01/21	0/00/00	0/00/00	91/06/01
William C Lorch P.O. Box 19-0224 Anchorage 99519 Agent	88/10/28	0/00/00	0/00/00	92/06/01
Richard Monkman DCED/P.O. Box D Juneau 99811 Commissioner/Designee Chair	89/03/15	0/00/00	0/00/00	0/00/00
Michael J O'Hara P.O. Box 1443 Palmer 99645 Pilot/Southwest	89/08/28	0/00/00	0/00/00	93/06/01
Russell M Sell 8740 Hartzell Road Anchorage 99507 Public	88/10/28	0/00/00	0/00/00	92/06/01
M. Paul Taylor P.O. Box 241 Skagway 99840 Agent	86/10/31	0/00/00	0/00/00	90/06/01

Nancy Ferguson



STATE OF ALASKA
OFFICE OF THE GOVERNOR
Pouch A
Juneau, Alaska 99811-0101

RECEIVED
APR 26 1989

BOARDS AND COMMISSIONS RESUME

INSTRUCTIONS

A separate application is required for each position for which you apply. Complete an rapid and accurate processing of your resume. The initial determination of whether you qu will be based on this application.

card/appt

Please type or print legibly in ink. Forward to the above address. Be sure your answers answer may result in your disqualification or removal from office if you are appointed.

26

Position for which I am applying:

ALASKA Board of Marine Pilots, Southwest Alaska Pilot Position

Please list any other State Board or Commission on which you serve:

None

BOARDS & COMMISSIONS

APR 26 1989

REPORT ADDRESS AND TELEPHONE CHANGES PROMPTLY

Name <i>Michael J O'Hara</i>		Previous Name applied under <i>None</i>
Mailing Address <i>PO Box 1443</i>	Residence Address <i>176 BLK 6 Barry's Resort Subd, PALMER AK</i>	
City, State and Zip Code <i>PALMER AK 99695</i>		
Home Telephone <i>907-745-3518</i>	Business or Message Telephone <i>907-745-3518</i>	

AS 39.05.100 requires that a person appointed to a board or commission be a registered voter BEFORE the last general election held *Nov. 88*

Are you a registered voter? YES NO

Voter Registration Number (Optional)

990836

Social Security Number (Optional)

547-76-2053

Have you ever been convicted of a misdemeanor within the past five years or a felony within the past ten years? YES NO
If "YES", explain the circumstances on a separate sheet of paper and attach it to this application. A conviction is not necessarily grounds for disqualification. The number of convictions, nature, recency, and relationship to the board position applied for will be evaluated and a determination will be made after a review of all relevant facts.

A policy in the Governor's Office pertaining to boards and commissions is that a member attend at least 75% of the meetings. Are there any circumstances in either your professional or personal life which would prevent you from participating at the required meetings? YES NO

If "YES", explain on a separate sheet of paper and attach to this application.

This position may require that the member travel to either urban or rural (or both) areas. Are there any circumstances which would prevent you from participating? *NO*

CONFLICTS OF INTEREST: Certain Boards and Commissions require full disclosure of personal financial data under AS 39.50.01. If required for the Board or Commission for which you are applying, are you willing to do so?

YES NO

Could you or any member of your family be affected financially by decisions to be made by the Board or Commission for which you have applied?

YES NO If "YES", explain. *RATE INCREASES ARE PASSED BY PILOT BOARD AMONG OTHERS. I AM A PILOT*

The Office of the Governor will not discriminate against an applicant for a Board or Commission based on Sex, Age, National Origin, Marital Status, Pregnancy, Handicap, Religion, or Parenthood.

TRAINING & EXPERIENCE: (If resume attached, it is not necessary to complete Items A-D)

A. List any professional licenses, certifications, or registrations and dates obtained that may be used as qualifying criteria:

state License AA 072
SEE RESUME

B. List both formal and informal education and training experience (use additional paper if necessary):

SEE RESUME

C. List any community service positions, municipal government positions, state positions held, and list any awards received. These include both compensated and uncompensated positions (for example, president of a service organization or a mayor). Also include length of time served in the positions.

SEE RESUME

D. Employment work history: paid, unpaid, or voluntary (use additional paper if necessary):

SEE RESUME

The Office of the Governor and the State of Alaska have an Affirmative Action Equal Employment Opportunity Program. To assist in the program, you are asked to voluntarily answer the following questions to provide the information necessary for reporting purposes. Under State and Federal law, the information you provide will not be used to illegally discriminate against you.

SEX

- Male
 Female

ETHNIC BACKGROUND

- White Black Alaska Native Asian or Pacific Islander
 American Indian Hispanic Other

Date of Birth

CERTIFICATION: I swear that the information I have entered on this form is true to the best of my knowledge. I understand that if I deliberately conceal or enter false information on the form my application may be rejected, I may be removed from the list of eligible candidates or I may be removed from the position. I agree that the Office of the Governor may contact present or former employers or other persons who know me to obtain additional information about my skills and abilities. I understand that the information on this application is public information and may be released through a legal request for such information.

Signature in Ink

Michael A. Hagan

Date

4/22/85



CAPTAIN MICHAEL J. O'HARA,

Southwest Alaska Pilots Assoc.



P.O. Box 977
Homer, Alaska 99603
(907) 235-8783

P.O. Box 1443
Palmer, Alaska 99645
(907) 745-3518

OBJECTIVE

To be appointed to the Alaska Board of Marine Pilots as a Southwest Alaska Pilot beginning June, 1989.

EXPERIENCE

1979-Present Member Southwest Alaska Pilots. Pilot for VLCC's in Valdez and all other ships in Southwest Alaska. See "We Alaskans" Anchorage Daily News (copy enclosed).

1968-78 Chief Mate on Sealand's Aleutian Developer, Portland, Galveston in Alaska. Third and Second Mate on American President Lines, Grace Lines, and Trinidad Tankers on coastwise and Far East routes.

LICENSE

Unlimited tonnage in Southwest Alaska and Bristol Bay, Yakutat, Icy Bay. See attachment. VLCC endorsement pending.

EDUCATION

Port Revel, Grenoble Simulator Tanker Shiphandling School, November, 1979.

University of California, Santa Cruz, B.S. Earth Science, 1974
California Maritime Academy, B.S. Nautical Science, Third Mate's License, 1968.

RESIDENCE

15 years Alaska resident at above address, Palmer, Alaska.

PERSONAL

Born September 13, 1947 in Munich, Germany, American parents. Graduated from Los Gatos High School, Los Gatos, CA in 1965.

Married to Patricia O'Hara with three children, Siobhan, Brynn, and Devon.

REFERENCES

Provided on request

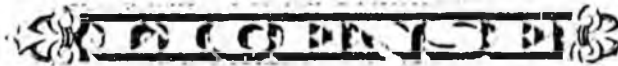
SERIAL NUMBER

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ISSUE NUMBER

2-6

UNITED STATES COAST GUARD

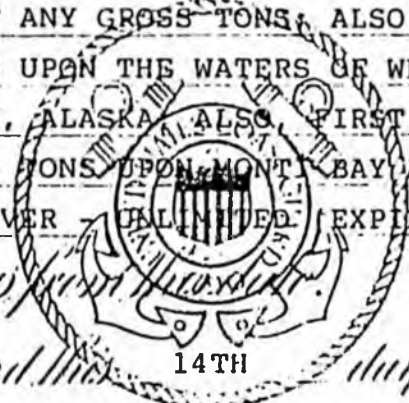


TO U.S. MERCANT MARINE OFFICER

This is to certify that * * * MICHAEL J. O'HARA * * * * *
having been duly examined and found competent by the
undersigned, is licensed to serve as MASTER OF OCEAN STEAM OR MOTOR
 VESSELS OF NOT MORE THAN 1,600 GROSS TONS; ALSO, CHIEF MATE OF OCEAN
 STEAM OR MOTOR VESSELS OF ANY GROSS TONS; ALSO, FIRST CLASS PILOT OF
 VESSELS OF ANY GROSS TONS UPON THE WATERS OF WESTERN ALASKA, PRINCE
 WILLIAM SOUND AND ICY BAY, ALASKA; ALSO, FIRST CLASS PILOT OF VESSELS OF
 NOT MORE THAN 1,600 GROSS TONS UPON MONTY BAY AND THE PORT OF YAKUTAT,
 ALASKA; ALSO, RADAR OBSERVER - UNLIMITED (EXPIRES MARCH 1993). - - - - -

for the term of five years from

Given under my hand this 14TH *day of* MARCH, 1989



ANCHORAGE, ALASKA

R.A. Blais

R. A. BLAIS, LCDR, USCG, CREC

By direction of *Officer in Charge of Marine Inspection*

BOARD: RAILROAD LABOR RELATIONS AGENCY

BOARD NUMBER: 89

TITLE: Railroad Labor Relations Agency

DEPT: Department of Commerce and Economic Development

AUTHORITY: AS 42.40.730

STATUS: ACTIVE

REQUIREMENTS: LEGISLATIVE CONFIRMATION

PROHIBITIONS:

TERM: No Term Specified

DESCRIPTION: 3 members appointed by the Governor: one member shall be a member of the State Personnel Board. All members serve at the pleasure of the Governor.

SPECIAL FACTS:

FUNCTION: Deals with the Alaska Railroad Corporation concerning grievances, labor disputes, wages, hours, and conditions of employment as detailed under AS 42.40.710 - .890.

COMPENSATION: Standard travel/per diem.

MEETINGS: As necessary.

*FOR FURTHER INFORMATION CONTACT: Assistant to the Board,
Railroad Labor Relations Agency, P.O. Box 6701, Anchorage, AK
99502 PHONE: 276-3120

RAILROAD LABOR RELATIONS

MEMBER	APPT	REAPT	REAPPT	TERM
Robert M Piazza 801 Fireweed Lane, Ste 201 Anchorage 99503 Labor	85/02/06	0/00/00	0/00/00	0/00/00
Debbie J Tilsworth 1900 Raven Drive Fairbanks 99709 Management	89/11/30	0/00/00	0/00/00	0/00/00
VACANT	0/00/00	0/00/00	0/00/00	0/00/00

Personnel Board

R E S U M E

DEBBIE J. TILSWORTH
1900 Raven Drive
Fairbanks, Alaska 99709
(907) 479-0631

RECEIVED
NOV 08 1987

GOVERNOR'S OFFICE

Career Objective: To serve in a management capacity in a non-profit organization or in a company that is committed to excellence, where my expertise in administration, marketing, public relations, and problem-solving can be fully utilized.

EMPLOYMENT HISTORY

Executive Director, United Way of the Tanana Valley, Fairbanks, Alaska
May 1987 to present

DUTIES: Serve as the principal professional resource to the 24-member United Way Board of Directors; plan and develop an annual fund raising campaign; manage the budget, collection and disbursement of funds; manage the allocations process, public relations, and volunteer development of United Way; and advise the Board on policies and procedures. Since 1987, the campaign has grown from \$585,000 to \$1,000,000, our member agencies have increased from 18 to 24, a Donor Option program has been implemented to allow designations to any non-profit organization in Alaska, and a Volunteer Action Center has been opened.

Executive Assistant and Community Relations Coordinator, MAPCO Alaska Petroleum Inc., Fairbanks, Alaska
January 1986 to May 1987

DUTIES: Community relations, advertising, coordination of special projects and events, preparation of press releases, public speeches and presentations, administration of corporate contributions, liaison with Advisory Board, research and analysis of petroleum related information, speech writing, and report writing.

Administrative Supervisor, MAPCO Alaska Petroleum Inc., Fairbanks, Alaska
April 1983 to December 1985

DUTIES: Supervision of administrative staff and information systems, selection of equipment and negotiation of leases, administrative research projects aimed reducing costs and increasing efficiency, coordination of assignments.

Substitute Teacher, Fairbanks North Star Borough School District, Alaska
November 1982 to April 1983

DUTIES: Substitute teacher for grades K-6.

Administrative Assistant III, University of Alaska, Office of Assistant to the President for Academic Affairs, Fairbanks, Alaska
December 1976 to September 1978

DUTIES: Monitored legislation affecting the University, completed projects associated with faculty tenure, promotion, and degree requirements; performed office accounting functions and assisted in preparation of budget; supervised office personnel.

Administrative Assistant I, University of Alaska, Office of Continuing Education and Summer Sessions, Fairbanks, Alaska

June 1975 to December 1976

DUTIES: Performed budgetary and personnel assignments for the Dean.

Technical Assistant, Lames & Moore Environmental Consultants, Fairbanks, AK
December 1973 to June 1975

DUTIES: Monitored lab results for consistency or results; typed and edited environmental reports.

Clerk, Alaska National Bank of the North, Fairbanks, Alaska

May 1972 to December 1975

DUTIES: Calculated and typed loan documents.

EDUCATION

University of Alaska, Fairbanks

B.ed. in Elementary Education, Minors in English and mathematics (1982)

Oxford University, England

Coursework in English literature and history (1982)

University of Alaska, Fairbanks

Accepted into Graduate School (1983); 12 credits completed toward M.ed. in Guidance and Counseling

American Management Association training seminars completed:

"Supervisory Skills" (Fairbanks) 1983

"Hiring and Firing" (Fairbanks) 1984

"Time Management" (Fairbanks) 1985

"Public Relations" (San Francisco) 1986

United Way of America training:

Volunteer Leaders Conference (Washington D.C.) 1987; and (Chicago) 1989

The Role of the Professional (Stanford University, California) 1987

COMMUNITY INVOLVEMENT

Sargeant-at-Arms, Sunrisers Rotary Club (1989)

Secretary, North Country Credit Union Board of Directors (1989)

Treasurer, Arctic Alliance for People (1989)

Member, Chamber of Commerce Program Committee (1987-89)

Member, Board of Directors and Vice Chairman Elect, Literacy Council of Alaska

Chairperson, Literacy Council of Alaska Fund Raising Committee (1987)

Member, American Management Association

Vice Chairperson, Coordinating and Special Events Committee, 1986 Cowper for Governor Campaign

Chairperson, Logistics Committee, 1987 Inaugural Ball for Governor Cowper

Member, Fairbanks Chamber of Commerce

PERSONAL INTERESTS

Raising and showing Shetland Sheepdogs, bicycling, reading, community involvement. Lifelong Alaskan, born in Fairbanks in December 1954; graduated from Lathrop High School in 1973; family owns and operates Polar Mining, and from 1984-86 served as a Vice President of the corporation; married to Dr. Tim Tilsworth, Professor of Civil and Environmental Engineering, UAF; two stepsons.

REFERENCES

Dr. Michael L. Rice, Dean
School of Management
University of Alaska Fairbanks
101 Bunnell Building
Fairbanks, Alaska 99775
(907) 474-7461

Ms. Sue Ellis
Business Development Consultant
Shilanski & Associates
520 Fifth Avenue
Fairbanks, Alaska 99701
(907) 452-PLAN

Ms. Rebecha Miller
Office of the Governor
State of Alaska
675 7th Avenue, Station H
Fairbanks, Alaska 99701
(907) 451-2920

MAPCO PETROLEUM Inc. - Alaska

Position: Executive Assistant and Community Relations Coordinator

Charter: The Executive Assistant and Community Relations Coordinator is responsible for public relations in Fairbanks, management of MAPCO's advertising campaign, the efficient coordination of special projects and events, monitoring legislation that concerns the oil and gas industry and testifying at public hearings as requested, administration of corporate contributions, liaison with the Alaska Advisory Board, research and analysis of data for executive use, communication of company information to the public, preparation of reports, speeches, and correspondence.

Responsibilities:

1. Promotes public relations in Fairbanks through selective participation in community activities and groups; prepares press releases; makes public presentations and speeches representing MAPCO; maintains contacts with prominent community members to provide feedback of external concerns as well as articulation of MAPCO policies to outside groups.
2. Coordinates special projects involving input from different departments; coordinates functions and events, especially those relating to public or political groups.
3. Manages advertising campaign, including formulation of strategy, selection of media, concept development, and media placement.
4. Monitors legislation that may directly or indirectly impact the oil and gas industry, testifies at public hearings as necessary, briefs executive management on status of pertinent legislation.
5. Administers corporate contributions in Fairbanks; serves as primary source of information for inquiries regarding MAPCO contribution policies and procedures; approves check requests and monitors contributions budget.
6. Acts as liaison with Alaska Advisory Board to coordinate information; researches contribution requests; prepares agenda for and staffs quarterly meetings; implements recommendations of the Board.
7. Researches information from published sources and/or community contacts, analyzes data and compiles in requested format.
8. Prepares text for executive speeches and reports, based on research results and general guidelines from Vice President-Alaska. Prepares correspondence for Vice President-Alaska.

Relationships: Reports directly to the Vice President-Alaska.

Credentials: College degree, preferably in business, journalism, or human resources fields. Knowledge of public or industrial relations, with established local contacts preferred. Minimum of five (5) years experience in business or public relations; additional experience may substitute for formal education. Position requires an individual with initiative and proven oral and written communication abilities. High level administrative skills.

**DEPARTMENT
OF
TRANSPORTATION
(DOT)
OVERVIEW**

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCHY - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

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

Mary Van Nimwegen

your Transportation

1/16/90

Alaska State Legislature

REPRESENTATIVE
RICHARD FOSTER
BOX 1028
NOME, ALASKA 99762

PO BOX V
JUNEAU, AK 99811

(907) 465-3789



STAFF
DR LARRY LABOLLE
JOHN WALSH, CPA
LIZ WALTERS

House of Representatives

January 11, 1990

MEMORANDUM

TO: Rep Mike Navarre
Majority Leader

FROM: Richard Foster, Chair
House Transportation Committee

SUBJECT: Priorities for Second Session

- Marine Transportation - Address legislation related to the creation of an authority
- Address long-term capital needs related to vessel and facility replacement
 - Assist in promoting a Russian Ferry route from Provideniya to St. Lawrence Island and Nome
- Aviation
- Assist in the promotion of better relations between Alaska Air Carriers and the Federal Aviation Administration
 - Examine economic incentives that would reduce the potential loss of revenue resulting from Trans-Polar route overflights such as increased tourism and air freight
 - Examination of rate structures in relationship to subsidies, cost of insurance and cost of meeting FAA regulation requirements
 - Promotion of lower interstate fares
- Highway Trust Fund
- Develop legislation that will allow the State to access unused Federal Highway Trust Fund apportionments
- Motor Fuel Tax
- Examine possible increases in the motor fuel tax and address the issue of how motor fuel tax revenues should be used
- Petroleum
- Review existing and proposed regulations related to pipelines and tankers

- Toll Roads
 - Examine the feasibility of creating more toll roads to expand they highway system in critical areas
- Master Planning
 - Develop a long term master plan to coordinate the expansion and development of transportation in the State
- Public Facilities
 - Develop renovation, repair and maintenance plan for Alaska's public facilities

DEPARTMENT OF TRANSPORTATION BUDGET SUMMARY

Federal Funding from FHWA

In federal fiscal year 1990 (October 1 thru September 30, 1990) the State of Alaska's Federal Highway apportionment is \$145.5. The actual obligation authority for this period is \$139.900. As in previous years, the amount we have been apportioned is greater than the actual amount we have authority to spend. Hence we will have to compete for other states unused apportionment in August this year.

*MH 1.5 mill SUP 79 90
ADD HEN + Sick leave*

Department of Transportation FY 91 operating budget

The total operating budget for the department for FY 91 is \$284.326.8. This figure reflects all funding sources. For FY 91 the department's overall budget has a 1.7% increase. The general fund portion of the budget has increased 2.6%
The overall position count for the department:
 full time positions increased 4 positions
 part time positions decreased 41 positions



MEMORANDUM

RECEIVED

DEC 11 1989

State of Alaska

Department of Transportation and Public Facilities

00016

TO: Alison Elgee, Director
Office of Management and Budget
Division of Budget Review

DATE: December 7, 1989

FILE NO.:

TELEPHONE NO.: 465-3900

FROM: Mark S. Hickey *MSH*
Commissioner

SUBJECT: A-4 Memorandum

This memorandum provides an analysis of A-4 issues affecting the Department of Transportation & Public Facilities (DOT&PF) for the FY91 budget process. In some cases, it has not been possible to determine the full fiscal impact relating to these issues. Where specific increments have been submitted, they are noted.

Every effort has been made to note all key issues resulting in major fiscal impact. All items are operating budget impacts unless noted otherwise as CIP items. This memorandum revises and replaces the draft A-4 memo submitted on August 16, 1989.

MAINTENANCE & OPERATIONS

New Responsibilities. As with previous years, the department is requesting operating funds to offset the impact from new maintenance responsibilities (including those incurred by the Alaska Marine Highway System). The request includes funds to reinstate legislative cuts of FY90 new facilities, newly constructed facilities that come on line during FY91, and assumption of facilities not constructed by the state.

Under Funded FY90 New Facilities	\$366,600
FY91 New Facilities	\$691,800
Assumed Responsibilities	<u>\$370,400</u>
	\$1,428,800

Assumed responsibilities primarily involve funding the operating shortfall for municipal operation of the Ketchikan Airport Ferry, maintenance of added road miles on Prince of Wales Island and federally mandated drug testing of AMHS employees.

Deferred/Preventative Maintenance. Previous A-4 memos have discussed this problem in detail. The state continues to accumulate problems and added costs in all maintenance areas, which are a direct result of inadequate annual funding. Added snow and ice control and other miscellaneous needs during FY88 and 89 resulted in supplementals that averaged \$1.4 million annually. Based on recent discussions with Governor Cowper, the department has prepared proposals to address both operating and capital shortfalls to counter these problems.

M&O Annual Deferred Maintenance	\$8,569,700
M&O Annual Snow and Ice Control	<u>\$1,698,200</u>
	\$10,267,900

It's envisioned that all of these funds could be generated by the \$.08 motor fuel tax increase. It should be noted that the department is proposing a new piece of legislation to re-establish by statute the entire fuel tax dedication in place at statehood.

Dalton Highway Fund Switch

Authorization is being requested, both as an FY90 Supplemental and FY91 increments, to switch a total of \$4,440,000 from program receipts to general funds for the Dalton Highway. In the FY90 operating budget, the legislature switched funding from general funds to program receipts and included legislative intent that revenues be collected from a user's toll or from the North Slope oil producers. However, as stated in the Governor's veto message on the FY90 operating budget, charging users was not acceptable at that time. These requests, therefore, would allow for continued maintenance of the Dalton Highway in FY90 and FY91, in the absence of a method for collection of program receipts.

State Equipment Fleet Rates. Although we expect replacement rates to remain essentially unchanged for FY91, there will be changes for individual classes of vehicles that could result in an increase for some users. There will also be an increase in overall operating rates. Our increment for M&O only offsets the loss in purchasing power that would otherwise result. This is similar to increments approved during the past two fiscal years. This cost for M&O Highways and Aviation statewide is \$943,200. There is also a request to reinstate the legislative under funding of the FY90 rate impacts for M&O of \$272,900.

Leaking Underground Storage Tanks. As a result of partial funding of an increment this year, efforts are underway to ascertain the extent of the department's obligations in this area, and to begin tank testing. The FY91 operating budget submittal requests \$164,300 for continuation of the effort to test all of the DOT&PF owned underground storage tanks. In the capital budget, \$5,340,000 has been requested for tank replacement, but we anticipate additional need for capital funds over a multi-year period to replace these tanks.

Airport Rural Rates and Fees. A final decision is needed to determine what, if any, portion of these proposals to implement. Depending on the decision, this will be a major policy matter with potential fiscal implications.

Airport Security Officers. We are still awaiting a final decision by the Federal Aviation Administration (FAA) regarding the need to locate law enforcement officers (LEO's) at certain rural airports. Our initial waiver requests and appeals were denied. If we are ultimately forced to comply, added costs could exceed \$1 million annually.

FAA Security Needs. There continue to be numerous security related mandates that may increase operating and capital costs at many rural airports throughout the state. These include Part 107 fencing requirements for certificated airports, and potentially extremely severe Part 139 changes for Crash, Fire & Rescue (CFR) capability at any airport receiving service by aircraft with 10 passenger seats or more. This latter item could potentially impact over 100 state airports. Each area could result in operating and CIP impacts totalling several million dollars.

FAA Land Acquisitions. Recent changes in Alaska Region FAA interpretations of land acquisition rules prohibits use of federal funds to acquire lands transferred to municipalities under Section 14 (c)(3) of the Alaska Native Claims Settlement Act. This ruling has been appealed to the FAA Administrator. We have included a request for additional CIP funds of approximately \$1.3 million to cover the 1991 costs.

ADMINISTRATION

Administrative Services Reductions. The administrative services components were cut \$550,000 in FY90. This was in addition to a

reduction in excess of 28% in general funds for these areas since FY85. The department has now completed the process to allocate these reductions between various components. However, it is too early to comprehend fully the long-term implication of the FY90 reduction.

DESIGN & CONSTRUCTION

FY90 General Fund Reductions. We have implemented the reduction of \$690,000 in general funds made in the FY90 budget. This is a reduction in addition to a cut of over 30% in general fund support since FY85. We will monitor the operations to determine the full impact of these reductions. An additional concern to monitor is the potential risk to loss of federal capital dollars if too significant a general fund shortfall occurs. We are also continuing efforts to address and improve overall efficiency within this functional area.

PLANNING & RESEARCH

Funding Shortfalls. Problems caused by reductions in federal and state funding experienced over the past few years were compounded by the last legislative session when the administration's general fund requests for these two purposes were denied entirely. Lack of these funds, totalling \$1 million, and complete elimination of \$350,000 in funding for advanced project engineering or planning work, have virtually eliminated our ability to continue or start any advance project work unless it's eligible for federal participation.

This also throws in jeopardy our ability to continue the in-house research program, regardless of the operating budget savings generated. Finally, there could well be problems with whether we are performing the mandated level of effort to continue receiving federal capital dollars. We have included requests to reinstate these items in the FY91 capital budget. There is also a request for a supplemental of \$400,000 to offset some of the FY90 impact for the research program.

U.S. Corps of Engineers Match. State and/or local funding is required before Corps of Engineers (COE) funded projects can proceed. Match ratios vary greatly depending on the exact program and type of work to be performed. There is no consistent state policy that identifies which projects are expected to be matched with state funds and which by local sources. This also makes it difficult to assure that COE or the

congressional delegation to pursue the funds. Efforts are needed to address this deficiency. The FY91 capital budget includes a \$6,000,000 request to establish a match pot for this purpose.

Ports & Harbors/Erosion Control Program. Although the department continues to have significant statutory responsibilities in these areas, we have lost most technical capability to provide even minimal support as a result of general fund reductions. The lack of direct focus on harbor and erosion issues has resulted in a lack of current information on harbor and erosion conditions and review of community operations and needs. We propose the establishment of a minimal program to provide some capability to begin addressing these issues. Ensuring adequate maintenance levels are achieved is considered part of this effort. An increment has been submitted for \$149,000. There are also some CIP rehabilitation requests.

ALASKA INTERNATIONAL AIRPORT SYSTEM (AIAS)

Airport Marketing Program. Efforts should continue at the current level of \$500,000 annually. We may also want to pursue an additional appropriation for FY91 of at least \$500,000 to match Duty Free Shoppers' funds to market specific international destination airline services if and when appropriate.

Airport Safety Officers' Arbitration. The courts may eventually require a 24% increase in salaries consistent with an arbitration decision last year. This could increase annual operating costs by \$1.8 million, and create a retroactive obligation in excess of \$2 million.

Increased Responsibilities. Anchorage International has been experiencing increased costs and difficulty training personnel to repair and maintain the 24 escalators and 14 elevators at the airport. It is necessary to contract for these services, with a net increase in overall effort. The FY91 increment request of \$186,000 for this purpose is partial funding, with the remainder being provided via transfer within base.

Security. The FAA's increased emphasis on security has resulted in increased costs during the past few years. Anchorage International may be elevated to "X" security status, which is the highest classification. Although federal funds may be provided to cover increased capital costs, increased operating expenses would be borne by the airport operator.

Increments totalling \$218,100 are requested for access security control and security system maintenance. Additional costs, which cannot be estimated at this time, may necessitate an amendment later.

Fairbanks International (FIA) Food & Beverage Concession. FIA has had a difficult time awarding a food and beverage concession. It appears there are no interested parties, which may force the airport to take over the operation through a contract. If this became necessary, FIA would need an increment of up to \$450,000, which would be offset by additional revenues of about \$400,000.

ALASKA MARINE HIGHWAY SYSTEM (AMHS)

Adequate Service Levels. Experiences from FY89 and FY90 clearly demonstrate there is a funding shortfall in the current base to provide a maintenance level of service acceptable to most users. Funding assistance is needed for both FY90 and FY91 to offset this problem. A supplemental request of \$1,570,000 for FY90 and an increment for \$1,404,000 for FY91 have been submitted. The shortfall in base has been exacerbated in recent times by inflation (such as rising fuel costs), increased AMHS usage, and added maintenance and overhaul costs due to vessel age and use of the Ketchikan Shipyard. Much of the proposed increase can be viewed as budget neutral since it is estimated there will be an approximately equivalent increase during the same period in generated revenues.

AMHS Headquarters Offices. The physical accommodations of the main Juneau offices remain quite substandard both in terms of the amount and quality of office space. A plan needs to be developed and funding pursued to resolve this problem. Solutions range from building or leasing new space, to funding a large Juneau DOT&PF consolidation involving all department units. The proposed FY91 increment of \$341,600 is based on utilizing existing space in DOT&PF Headquarters and Southeast Region buildings, with new leases only for net new space required.

Revenue-Base Budgeting. The department still desires to develop and implement a new way of budgeting to allow the AMHS to spend newly generated revenues. The main reason for this proposal is to allow the System to function in a more businesslike manner, and to create real incentive for improved performance. Governor Cowper has decided to pursue legislation next session for this purpose and this legislation has

been drafted.

Labor Negotiations. Negotiations for a new contract with the Masters, Mates & Pilots will commence in the near future. Marine Engineers' Beneficial Association is currently negotiating under a wage re-opener period. Negotiations during a wage re-opener with Inlandboatman's Union of the Pacific (IBU) failed to reach an acceptable agreement. They have petitioned for and received a strike vote from the membership. Further negotiations with IBU are now scheduled for February. All of these matters could result in fiscal impacts at a later date.

Gottland Ferry Service. The ferry service between Vancouver, B.C. and Ketchikan, to begin next summer or during 1991 announced by the Swedish firm of Gottland, will have some impact. There may be a need to pursue some action, including service adjustments to react to this change.

OTHER ISSUES

State Equipment Fleet Replacement Shortfall. Actions by the legislature during the mid-80's to re-appropriate over \$62 million from the Highway Working Capital Fund (HWCF), combined with decisions by the prior administration to drastically reduce replacement rates as a temporary cost savings measure, have resulted in an inability to meet the state's vehicle equipment replacement needs over the past three years. Considerable administrative effort has been made to minimize the fiscal impact resulting from these actions, including extending vehicle life, delaying or eliminating many replacements, and gradually increasing rates to the proper levels.

In order to avoid larger operating budget increases and to eliminate the remaining replacement delays, there is a need for a one-time capital appropriation of \$3 million from the general fund. In addition, SEF must replace the current computerized equipment management system. The existing system has numerous weaknesses which are negatively impacting the ability to effectively manage the vast fleet resources. A \$400,000 capital request will be submitted to procure a new system. SEF is currently unable to: 1) track individual vehicle and heavy equipment maintenance costs, 2) produce timely and accurate billings to user agencies, 3) control fuel and parts inventories and 4) produce critical management reports. The replacement of the current system is a very economical and effective step to enhancing fleet management.

Alison Elgee

8

December 7, 1989

00023

DBE/ExEEO. During FY89, considerable work occurred to resolve substantial problems with the department's Disadvantaged Business Enterprise/External Equal Employment Opportunity (DBE/ExEEO) programs. This work was in major part due to federal concerns that the programs were found to be substantially out of compliance with requirements. Our response included funding of an increment to offset the loss of federal funds, and to strengthen our staff capability. Although progress has been made during this period, there remain significant concerns that need further attention. We do not currently envision the need for additional resources at this point; that may change over the next four to six months as we continue our current efforts.

PERS/Terminal Leave Increases. The 2.03% increase in employer cost for the Public Employees Retirement System for FY91 will result in an impact of over \$1,250,000 in added general fund costs. In addition, we are concerned that the savings realized by the reduction in the terminal leave assessment of 2% for FY90 will be eliminated by an increase in that assessment for FY91. Both items will exacerbate significantly our ability to provide basic services at a maintenance level. The Department's budget request includes increments totalling \$876,400 for the M&O Highways and Aviation and AMHS Vessel Operations components.

DOA Data Chargeback. The department is also concerned with the potential fiscal impact to the existing budget if the Department of Administration implements a data processing chargeback system during FY91. If this is done and costs increase, a single increment should be obtained to start agencies on a reasonable level under the new system. An increment for \$386,500 was requested for FY91. This would merely bring our funding to the level of usage in FY89, as reported by the Department of Administration.

cc: Garrey Peska, Chief of Staff, Office of the Governor
Ron Clarke, Special Staff Assistant, Office of the Governor
Keith Gerken, Deputy Commissioner, Operations
D. Randy Simmons, Deputy Commissioner, Budget and Finance
Ron B. Lind, Director, Plans, Programs and Budget
DOT&PF Regional, System and Headquarters Directors

DRAFT

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

FY91 GOVERNOR BUDGET
(In thousands)

TOTAL OPERATING BUDGET

\$ 284,326.8

Source of Funding

General Funds	166,181.9
Capital Improvement Project Receipts	58,933.4
International Airport Revenue Fund	32,368.2
Highway Working Capital Fund	20,661.7
Federal Receipts	3,557.2
Inter-Agency Receipts	2,624.4
	<hr/>
	\$ 284,326.8

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES FY91 OPERATING BUDGET

(IN THOUSANDS)

DRAFT

BRU/COMPONENT	FY90 AUTHORIZED	GF/PR \$161,963.0	TOTAL \$279,634.
	----- DECREMENTS -----		
VARIOUS COMPONENTS	Decrease CIP Funding	\$0.0	(\$338.)
INTERIOR HWYS & AVTN	GF/PR Navigational Aids	(\$74.8)	(\$74.)
FIA ADMINISTRATION	Risk Management Decrement	\$0.0	(\$68.)
RETIREMENT INCENTIVE PROGRAM	R.I.P. CIP Decrement	\$0.0	(\$496.)
	Decrement Subtotal	(\$74.8)	(\$978.)
	----- INCREMENTS -----		
ALL M&O DISTRICT COMPONENTS	New Facilities	\$598.7	\$598.7
AIA BUILDING MAINTENANCE	New Facilities	\$0.0	\$186.0
ALL DISTRICTS M&O HWYS & AVTN	SEF Fixed Fee Increase	\$1,216.1	\$1,216.1
MARINE OPS VESSELS--SE & SW	AMHS Service	\$1,878.1	\$1,878.1
CENTRAL & WESTERN M&O HWYS & AVTN	Rural Airports Contracts	\$252.0	\$252.0
ALL REGIONAL & SW PLANNING COMPNTS	HPR Match Switch Fund	\$38.8	\$0.0
AIA SECURITY & BUILDING MNTCE	AIA Security Control & Maintenance	\$0.0	\$218.1
MARINE OPERTNS SE VESSEL OPER/OVER	Federally Mandated Drug Testing	\$80.0	\$80.0
SE M & O HIGHWAYS & AVIATION	Ketchikan Arpt Shuttle Ferry Subsidy	\$200.0	\$200.0
STATEWIDE RESEARCH	Research Program Receipts	\$30.0	\$30.0
COMM OFFICE/DBE/EXTERNAL EEO	DBE/ExEEO Incr. Federal & CIP Funds	\$0.0	\$35.0
CENTRAL M & O HWYS & AVTN	Central Region M&O Federal Receipts	\$0.0	\$51.7
INTERIOR M & O FACILITIES	Space Rental Interagency Receipts	\$0.0	\$16.8
CENTRAL & SE M&O STATE EQUIP FLEET	SEF Component Requests	\$0.0	\$907.4
	Increment Subtotal	\$4,293.7	\$5,670.5
	GOVERNOR'S FY91 DOT&PF OPERATING BUDGET	\$166,181.9	\$284,326.8
	PERCENT CHANGE FROM FY90 AUTHORIZED	2.60%	1.68

POSITION INFORMATION

=====

FY91 TOTAL POSITIONS 3582 (2700 Full-Time, 819 Part-Time)

DRAFT

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

FY85 AUTHORIZED - FY91 GOVERNOR
(IN MILLIONS)

SOURCE OF FUNDING	FY85 AUTH	FY87 REVISED	FY89 AUTH	FY90 AUTH	FY91 GOV	\$ CHANGE FY85 AUTH/ FY91 GOV
GENERAL FUND/ PROGRAM RECEIPTS	\$179.8	\$147.0	\$160.3	\$162.0	\$166.2	<\$13.6>
OTHER FUNDS	\$105.2	\$115.3	\$120.0	\$117.6	\$118.1	\$12.9
DEPT. TOTAL	\$285.0	\$262.2	\$280.3	\$279.6	\$284.3	<0.7>
%GF/PR CHANGE FROM PREVIOUS COLUMN	--	<18.2%>	8.3%	1.0%	2.6%	--

11-Jan-90

DRAFT

DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

FUNCTIONAL POSITION COMPARISON
FY85 - FY91 GOVERNOR'S REQUEST

FUNCTION	FY85 AUTHORIZED		% TOTAL FY85 POSITIONS	FY91 GOV'S REQUEST		% TOTAL FY91 POSITIONS	% CHANGE FY85 - FY91
	PFT	PPT		PFT	PPT		
ADMINISTRATION	276	2	7.0%	213	4	6.1%	<21.9>%
PLANS, PROGRAMS, BUDGET & RESEARCH	142	2	3.6%	77	7	2.3%	<41.7>%
DESIGN & CONSTRUCTION	815	635	36.7%	687	443	31.5%	<22.1>%
MAINTENANCE & OPERATION	553	165	18.2%	526	164	19.3%	<3.9>%
STATE EQUIPMENT FLEET	160	9	4.3%	182	1	5.1%	8.3%
INTERNATIONAL AIRPORTS	311	15	8.2%	377	21	11.1%	22.1%
MARINE HIGHWAYS	704	166	22.0%	701	179	24.6%	1.1%
TOTALS:	2961	994	100%	2763	819	100%	<9.4>%

REVISED 1/11/90



House TRANSPORTATION COMMITTEE

1

SUBJECT OF MEETING:

Overview DOTPF

DATE: 1/16/90

PLACE: HTC

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
MARK HICKEY	DOT/PF	P.O. Box 2 JUNEAU	99811	9-9693	5-3900	<input checked="" type="radio"/> Y <input type="radio"/> N	
Randy Simmons	/	/	/	3-2611	/	<input type="radio"/> Y <input type="radio"/> N	
KEITH GERKEN	"	"	"	6-3485	"	<input type="radio"/> Y <input type="radio"/> N	
Don Rouleau	Local 942 91 + 341	110 W 9th St. JUNEAU	99801	6-3707	6-3107	<input type="radio"/> Y <input checked="" type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	
						<input type="radio"/> Y <input type="radio"/> N	

***DOT WORK
SESSION:***

***DESIGN
AND
CONSTRUCTION***

For the informational
handouts on the work session
look at D.O.T Design +
Construction file folder

Also tape 7A

John Scribner

Project development.
Couldn't define project costs etc
Criticized so developed
Capital project development system

Don Drake

348 capital projects
128 people

1. Projects are managed
2. Budget determines projects

project moves thru various stages
until it gets to completed status

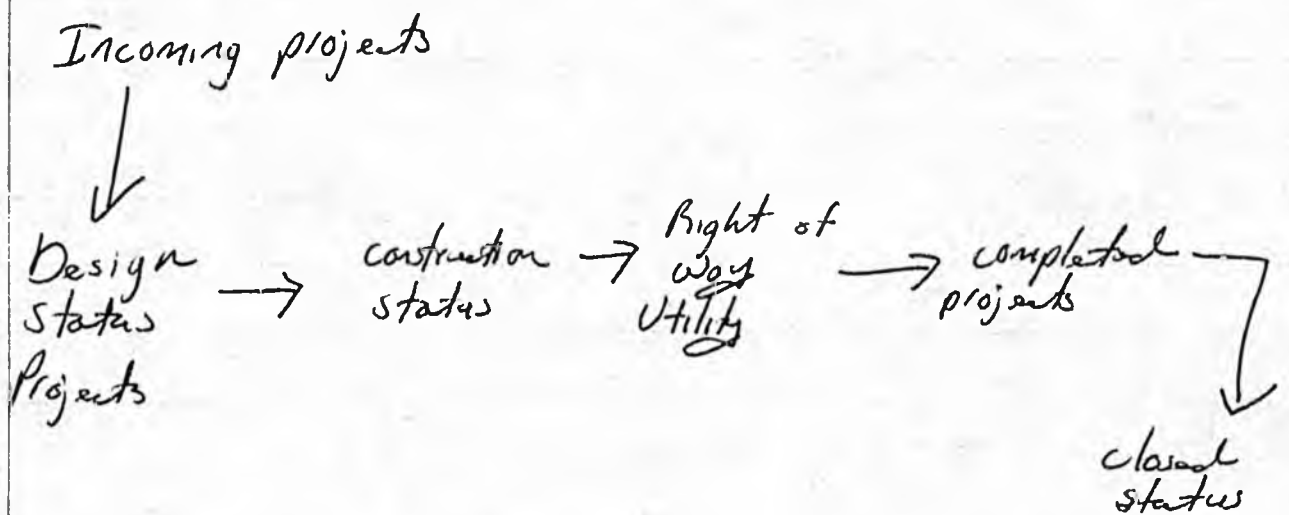
Management standpoint — operating
— capital
Need to know

1. Who has control
2. What is status of project
3. Problems
4. What is \$ amount

Capital —

- A myriad of individual projects with continuing approp.
- Pays for all projects.
Specific development cost (Design
how acquisition.)

Capital project development process



Now can calculate previous years and project ratios now because projects so clean.

64 projects have given great data

Cost of P.O.T D+C = ~~25~~ 25%

Part of management process is to take data + analyze

Must set clear design objectives

Need to set objectives for ourselves

Must met most objectives.

Engineers estimate + or - 10%

Measure this quarterly.

Manage within 10% of project value

Hold contractor to costs

Don't allow delays → overruns

what % don't fall within 10%
at bid opening

Foster

Don

In FY 87 -

31% with 10%

FY88 50%

Foster

Are they too high or too low

Don

Usually too low

Foster

On small projects - do D+E costs run higher

Don

Yes because it's difficult to design a project with a total costs of say \$12,000

Hudson

— Where is system does lifecycle analysis come in

No real direction to look at lifecycle costs - Statutes say should but don't as yet.

Do it with now with pavement. How long do you want pavement to last. Then need to spend more if want to last longer

Side B

Don

The development plan process allows project to keep moving. The longer it stays in an area the more costs accumulate. Monthly report shows where project is - who has responsibility for it etc

Foster

Aside from budget - what can legislature do to make job easier.

Scriber

- Couldn't do job before but now
getting things under control now

Adjourned 9:15 AM

**FEDERAL
FUNDING
(DOT)**

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
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JUNEAU, ALASKA 99811
907-465-3800

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Mary Van Nimwegen

House Transportation 1/18/90

EXISTING FEDERAL-AID PROGRAM

January 1990

1. Authorities and Regulations

- A. Highway Acts usually cover two to four year periods.
 - 1. The Acts contain both program requirements and funding amounts.
 - 2. The 1987 Act expires in October 1, 1991.
- B. Highway Acts are organized by subject in the U.S. Codes (USC).
 - 1. Highways is under Title 23 USC.
- C. Implementing regulations of the USC are in the Code of Federal Regulations (CFR).
 - 1. Highways is under 23 CFR and includes the policies and procedures for administering the Federal-Aid Program nationwide.
- D. The FHWA Division Office in each state applies the policies and procedures to individual situations as they occur.
 - 1. For Alaska, the Division Office is located in Juneau, the Region Office in Portland, and the Headquarters Office in Washington, D.C.
 - 2. The 16 person Division Office includes 11 professionals, primarily engineers, who are responsible for all Federal-aid actions including planning, design, right-of-way, construction and maintenance.
 - 3. Three major roles of FHWA.
 - a. Approve funding.
 - b. Provide technical assistance.
 - c. Assure a uniform nationwide highway system.

2. Funding Process

- A. The Highway Trust Fund is the source of funds and obtains income from user fees.
 - 1. It was established in 1956 to fund the Interstate Program.

2. Funds are collected by IRS from producers who collect from retailers, who collect from consumers.

B. Apportionments/Obligations

1. Based on the Highway Act, the funding amounts are distributed to States by established formulas. (Attachment #1)
 - a. FY 90 = \$150.6 million for Alaska.
 - b. The 5 year average in Alaska is \$157.9 million.
2. The total amount is reduced by an obligation limit set by Congress based on national budget concerns.
 - a. FY 90 = \$145.2 million for Alaska.
 - b. The 5 year average in Alaska is \$148.5 million.
 - c. The accumulated excess apportionments is \$63.4 million
3. Non-interstate funds are available for four years (Attachment #2), i.e. unused amount must be less than four year total. Interstate is available for two years.
 - a. Alaska has never lapsed any funds.
4. Actual money is not reimbursed to the State until costs have been incurred and a bill is submitted. (Attachment #3)
 - a. Most other Federal Program are grant programs. We are a reimbursement program.

C. Alaska is Unique

1. In all States, limited transfers can be made between funding categories.
 - a. In Alaska, system funds are interchangeable after the appropriate category is completely obligated.
 - b. Category fund switches are limited. (Attachment #4)
2. Interstate category is for funding purposes only. For design/operations, primary system rules apply.
3. Matching ratios are increased because of large Federal Land ownership.
 - a. Interstate = 93.42% Federal
 - b. Other systems = 88.68% Federal

4. Federal-Aid Program includes the State Ferry System as part of the highway network.

a. No additional funds are provided.

3. Programming Procedures

A. State develops Capital Improvement Program and determines Federal-aid projects.

B. Legislature approves the Capital Improvement Program.

C. In October each year Headquarters submits the list of Federal-aid projects (105 Program) for which Federal funds will be requested.

1. FHWA reviews 105 submittal for the following items:

a. Total project funding does not substantially exceed available funds.

b. All funding categories are represented to prevent lapsing.

c. Projects are eligible for a Federal-aid system

d. Identified statewide needs are addressed.

2. During the year, changes in the list may be requested.

D. Regions submit Project Development Authorizations (PDA's) to Headquarters for approval of funds to begin work on individual projects.

1. Headquarters Programming prepares request for Authorization To Proceed (ATP's) and transmits to FHWA.

2. FHWA reviews for eligibility, approves and returns to Headquarters Programming.

3. Any work done before approval date of ATP is not eligible for reimbursement with no exceptions.