

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6202 HOUSE TRANSPORTATION

606

ALASKA STATE LEGISLATURE

While in Ketchikan
352 Front Street
Ketchikan, AK 99901
907-225-9675



While in Juneau
P.O. Box V
Juneau, AK 99811
907-465-3743

Senator Lloyd Jones

March 19, 1990

MEMORANDUM

To: Senator Pourchot, Chairman
Senate State Affairs Committee

From: Senator Jones *LJ*

Subj: CSSB 310

The committee substitute bill SB 310 would establish a seven member commission to hire the director of the Alaska Marine Highway System and set long term policies, as well as give advice and recommendations on operation of the ferries. The system would remain within DOT/PF.

This new measure will give the AMHS a more consistent management structure that will be needed to cope with the many challenges and opportunities on the system's horizon. Many serious issues will have to be dealt with in the coming years. Vessel replacement and/or refurbishment, other capital investment necessities, dwindling State revenues that will impact funding for all programs, and long range planning needs are just some of these important concerns.

Replacing the director with every change in the Commissioner of DOT/PF or Governor's office simply does not allow continuity of direction, management or purpose. The director must be assured of the opportunity to not only implement positive changes in the system, but the time and resources to carry them out.

With this in mind, Senator Duncan and I have been working on the draft committee substitute for SB 310. The new bill combines elements of SB 310 and SB 473, different measures that address the problems of disjointed long term policy and inconsistent management of the Alaska Marine Highway System. We feel that this new legislation is a positive and achievable step towards ensuring a better management function for our ferries.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: DOT&PF/AMHS
 Title: An Act relating to the AK Marine Highway System Commission
 Sponsor: Transportation Committee BRU: Marine Management
 Requestor: _____ Components: Administration

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 91 | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 |
|------------------------|----------|----------|----------|----------|----------|----------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 0 | 0 | 0 | 0 | 0 |
| SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 |
| GRANTS, CLAIMS | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

| | | | | | | |
|---------|---|---|---|---|---|---|
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|----------|----------|----------|----------|----------|----------|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS : (Attach a separate page if necessary)

Assuming the Alaska Marine Highway System supplants the current advisory board, no additional funds will be required as a result of the passage of this legislation.

Prepared by: John Halterman Phone: 465-3950
 Division: Alaska Marine Highway System Date: 3/14/90

Approved by Commissioner: M. A. Halpern Date: 3/15/90
 Agency: _____

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)



Representative Bette Cato, Chair House Transportation Committee

SUBJECT OF MEETING:

CSB 310
SB 368

DATE: May 1st, 1990

PLACE: Room 17

| NAME | REPRESENTING | BUSINESS/PERSONAL MAILING ADDRESS | ZIP | (H) PHONE | (W) PHONE | DO YOU WANT TO TESTIFY? | WHAT SUBJECT WHICH BILL? |
|----------------|-------------------------|-----------------------------------|-------|-----------|-----------|-------------------------|--------------------------|
| EARL CLARK | Public SAFETY | 7163 PARKWOOD | 99801 | 789-4235 | 465-2446 | (Y) N | SB 368 |
| MARK HICKEY | DOT/PF | P.O. Box Z, JUNEAU | 99811 | 9-9693 | 5-3900 | (Y) N | SB 310 |
| GAYLE HORETSKI | D.P.S. Deputy Commis | BOX N, JUNEAU | 99811 | | 4322 | Y N | IF Q'S SB 368 |
| | | | | | | Y N | |
| | | | | | | Y N | |
| | | | | | | Y N | |
| | | | | | | Y N | |
| | | | | | | Y N | |
| | | | | | | Y N | |
| | | | | | | Y N | |

HOUSE COMMITTEE REPORT

(5)

Date Referred: April 26, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: 5/1/90

The TRANSPORTATION Committee considered:

CSSB 310(SA)

CS SB NO. 310 (SA)

CREATING MARINE HIGHWAY COMMISSION

"An Act relating to the Alaska Marine Highway System Commission; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
[] be replaced with _____ [] a new title
- [] have attached amendment(s)
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) _____
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Ben Soukup
Richard J. Jolley
with changes
Proposed by Rep HUDSON

| SIGNING: | Do Not Pass | No Rec | Amend |
|------------------------|-------------|--------|-------|
| <i>Bill Hudson</i> | | ✓ | |
| <i>Dorwin A. Lewan</i> | | ✓ | |
| <i>Eugene Kubera</i> | | ✓ | |
| _____ | | | |
| _____ | | | |
| _____ | | | |
| _____ | | | |
| _____ | | | |
| _____ | | | |

Richard J. Jolley
Chairman's Signature



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: CSSB 310

APPROVED: 

TITLE: An Act Relating to the
Alaska Marine Highway
System Commission

DATE: March 15, 1990

The Committee Substitute for Senate Bill 310 proposes to create an Alaska Marine Highway System Commission. The department recognizes that this legislation has been put forward in a good faith effort to present changes to the Alaska Marine Highway structure which are intended to benefit and strengthen the overall system.

We agree that citizen input is a useful tool for good management of the system and in 1988 created a Marine Highway Advisory Board to facilitate this input. The Advisory Board serves as a bridge between the public and management and has been a successful addition since its implementation. Although the department has no objection to placing the Advisory Board or a similar structure in statute, we are unclear about the reason to mandate this by law.

The primary difficulty with this legislation concerns the proposed Section 1 AS19.65.150 (1) and Section 3 AS44.42.040 (b)(1) which give the commission the authority to hire or fire the Marine Highways System director. The department feels that the actual appointment, dismissal or suspension of the system director is a responsibility of the Executive Branch to be exercised by the Governor and Commissioner. If these sections were amended to provide for advisory action on the part of the commission, the department would remove its objection to this legislation.

For Further Information call Catherine McHugh at 465-3900

SOUTHEAST CONFERENCE

P.O. Box 22286

Juneau, Alaska 99802

March 8, 1990

The Honorable Jim Duncan
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

Dear Senator Duncan:

The Southeast Conference, an organization representing the cities and towns of Southeast Alaska, is seriously concerned about the status of our Marine Highway.

Once the pride of ALL Alaskans, the highway has experienced a steady decline in service.

The deterioration is excessive with marine highway vessels on a non-active status more than 50% of the time resulting in a 10% "road closure" in some regions compared to the service offered just three years ago. Imagine what impact this would have on residents throughout interior Alaska if their primary highways suffered the same fate.

But at the same time traffic on Alaska's uniquely different highway increased almost ten percent and generated revenues that subsidized almost sixty percent of it's basic costs - making it Alaska's cheapest major transportation system on a per lane mile basis.

The Marine Highway is Alaska's most important intrastate link, knitting together all Alaskan communities to a surface route that spans 3500 miles from the Aleutian Islands, through Southeast Alaska to its termination in the lower 48. More than 34% of the traffic on the highway are folks traveling to and from westward and interior Alaska.

One of the primary mandates to the state is to provide adequate public transportation for its citizens. Alaska's 1990 budget reflects a 19% DECREASE in general funding during the past 5 years to maintain our Marine Highway. We liken this decision to a "death spiral" for the system.

We are seeking your support to "upgrade" the Highway this legislative session and in order to appraise your constituents of the highway's importance have initiated an informaion campaign throughout the state (copy attached).

Sincerely,



Ted Ferry, President
Southeast Conference

March 8, 1990

Letter to the Editor:

To ALL Alaskans,

The longest state operated highway in the U.S.A. is in a serious state of disrepair and in jeopardy of "emergency" closures.

Once the pride of ALL Alaskans, Alaska Marine Highway service has steadily declined.

The deterioration is excessive with marine highway vessels on a non-active status more than 50% of the time resulting in a 10% "road closure" in some regions compared to the service offered just three years ago. Imagine what impact this would have on residents throughout interior Alaska if their primary highways suffered the same fate.

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One of the primary mandates to the state is to provide adequate public transportation for its citizens. Alaska's 1990 budget reflects a 19% DECREASE in general funding during the past 5 years to maintain our Marine Highway. We liken this decision to a "death spiral" for the system.

Please support our efforts to "save" this vital All-Alaska highway by expressing your concern to your elected state officials during this legislative session.



Ted Ferry, President
Southeast Conference



Grand Camp
Alaska Native Brotherhood

Resolution No. 46

Title: In Support of Senator Jim Duncan's recommendation regarding the Alaska State ferry System

Whereas: Senator Jim Duncan has put together four major recommendations regarding the Alaska Marine Highway system, and

Whereas: Those recommendations will go a long way in the enhancement and improvement of the ferry service in Southeast, Alaska, and

Whereas: Planning for the ferry system needs to occur in order to capitalize on Southeast Alaska's only transportation link to other Alaskan communities and the lower 48, and

Whereas: Senator Duncan's recommendations are:

1. There is a need for long term planning for the Alaska marine highway system,
2. There is a need for adequate level of funding,
3. There is a need to improve ferry service, possibly the establishment of a "fast ferry" program or an increased number of sailings to more adequately serve Southeast, Alaska communities.
4. There is a need to plan for replacement vessels.

Now therefore be it resolved that the Grand Camp Alaska Native brotherhood and the Alaska Native Sisterhood assembled in Hoonah, Alaska strongly support the recommendations of Senator Jim Duncan for improving the Alaska Marine Highway system.

Certification:

I certify that this resolution was adopted at the ANB/ANS convention at Hoonah, Alaska during the week of Nov. 6-11, 1989.

Albert Kookesh
Albert Kookesh
Grand Secretary

Richard Stitt
Richard Stitt
Grand President

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100
(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR --
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

FOR IMMEDIATE RELEASE
February 12, 1990
Contact: Pete Carran
465-4766

ALASKA MARINE HIGHWAY COMMISSION PROPOSED BY SENATOR DUNCAN

The Director of the Alaska Marine Highway System would be appointed by a five member commission established by Senate Bill 473 introduced today by Senator Jim Duncan of Juneau.

"This approach will provide continuity of management in order to promote efficiency in the operation of the system," Senator Duncan says. "Currently, system management changes with each change in the state administration. This measure is intended to provide an overlapping of system management from one administration to the next. This is a necessary step in order to help ensure sound system management."

Under terms of the measure, commission members are appointed by the Governor to five year terms on a staggered basis. At least three members must be from communities served by the Marine Highway System. The duty of appointing a system director is now the responsibility of the Commissioner of the Department of Transportation and Public Facilities.

Senator Duncan feels the management approach proposed in his bill is better equipped to deal with the important issues now facing the system. "There's a need for long term planning, maintaining an adequate level of funding, improving service including establishing a fast ferry program, and developing a plan for replacement of the fleet. Strong and long term management is needed to deal with these issues."

In addition to appointing a system director, the commission is responsible for advising and making recommendations on schedules and tariffs; management, planning and construction of facilities; replacement, refurbishing, and overhaul of vessels; and operating and capital costs. The measure also directs the commission to conduct public meetings on the operation of the system including proposed tariff increases or scheduling changes and to provide an annual report to the Governor and Legislature.

Marine highway commission proposed

By KIRK McALLISTER

THE JUNEAU EMPIRE

Two Southeast senators have combined forces in an effort to improve management of the Alaska Marine Highway system.

Sen. Jim Duncan, D-Juneau, has introduced a bill (SB473) setting up a ferry commission that would be responsible for general policy and the appointment of the marine highway system director.

Sen. Lloyd Jones, R-Ketchikan, meanwhile, has been working since last year on a bill (SB310) that would set up a Marine Highway Authority that would be an independent entity within state government much like the Alaska Permanent Fund Corp. or the Alaska Railroad Corp.

Duncan and Jones have now apparently joined together behind the commission concept as an initial step towards a separate marine highway authority.

Gov. Steve Cowper has balked at the authority concept because, among other things, it would remove the ferry system from the Department of Transportation and Public Facilities and would negotiate labor contracts separately from other

ALASKA NEWS

state unions that currently must go through the Division of Labor Relations.

But the commission, as envisioned by Duncan and Jones, is a less radical idea than the separate authority concept since the marine highway would remain part of DOT. So far now Jones has dropped the authority idea and opted to go with Duncan's commission concept.

The commission would be made up of seven members appointed by the governor to five-year, staggered terms. Membership would include the commissioner of the Department of Transportation and Public Facilities, a representative of the tourism industry, the maritime industry, Southeast and Gulf of Alaska residents and a person who represents the interests of the public.

Commissioners would serve without compensation other than per-

dium and travel expenses. Major duties of the panel would include appointing the director of the system, working on schedules and fees, construction of facilities, replacement and overhaul of vessels, produce an annual report on the system for the governor and legislature, establish policy for the system and hold public meetings on the system's operation.

"I think this is a mid-range step designed to bring continuity to the system and more long-range planning," Duncan said. "It should bring stability in the management of the system."

Jones agreed with that assessment saying the appointment of the marine highway system director by the commission would make the position less of a political appointment that would change with changes in administrations.

"Continuity in the management of the system has always been our goal," Jones said. "I see this (the commission bill) as a first step. Establishing an authority is the only way the system will be able to survive in the long term but this is a step in the right direction."

Jim Ayers, current director of the ferry system, said that Gov. Cowper in his State of the State message last month, said a marine highway authority wasn't necessary at this time. The ferry system is facing much tougher and immediate questions than whether the director should be appointed by a commission or an authority established, he said.

"There are major management and financial decisions that need to be addressed," Ayers said. "The system is at a crossroads. We need to make the decisions necessary to keep the system going for the next 20 years."

One of the ships (the Chilkat) in the nine-vessel fleet is currently laid up and may never come back into service because of prohibitive costs, Ayers said. The rest of the fleet is also getting older plus a decision needs to be made about whether small "feeder" vessels should be added to the fleet.

A new master plan study of the system is scheduled to be released next week. Currently, the system generates about \$35 million annually of the \$65 million needed to operate the system.

Juneau Empire Article

- c. Definitively state in statutes that non-profit agencies providing services not directly related to their main purpose and which are identified as being in direct competition with an existing business or hindering the establishment of a new profit-making business, must either cease providing that particular service to the public or must pay taxes on those services as "unrelated profit-making ventures."
6. The state should stop competing and contract to private labs with the state being more aware of private services that are available and not duplicate.

9. **PROBLEM: EDUCATION/TRAINING**

There is a lack of networking between the education sector and the small business sector as to what programs are needed, the ability of businesses to train employees or have apprentice programs.

RECOMMENDATIONS

1. Provide funding and/or tax credits for an apprentice training program to assist small business to develop an effective and more productive work force.
2. The State Board of Education and State Vocational Education Board should be separated into two boards to better service Alaskan students.
3. The state funded SB191 program similar to the "Job Training Partnership Act" (JTPA) should be expanded with an emphasis on the private sector designing and delivering the training through the RFPO process.

10. **PROBLEM: TRANSPORTATION/MARKETING**

The state does not have a transportation policy.

RECOMMENDATIONS

1.
 - a. Develop a transportation policy that includes highways, ports, airports, barge service and the railroad; and
 - b. Establish one commission each for DOT, Alaska Marine Highway System, and airports similar to the Alaska Railroad to set policy and long range goals. Each should have their own budget with income generated remaining in the department directly related - i.e. gas tax to DOT, airport feed to airports, etc.
2. The Alaska Marine Highway System serves as a vital link to the continental surface transportation network:
 - a. Provide year-round marine highway service to Kodiak, Prince William Sound, Dutch Harbor and all other coastal communities presently served in Southwest Alaska, without lapse.
 - b. The Alaska Marine Highway System should request proposals for emergency replacement vessels immediately upon scheduling of refurbishment.
 - c. Extend the AMHS to include service to Western Alaska.

TERTIARY LEVELS - VENDING MACHINES

75000 VENDING MACHINES
75100 SHIP BORNE MACHINES
75200 TERMINAL/SHARED MACHINES
75300 OFFICE
75400 SHOP/WORK PLACE VENDING MACHINES
75600

FOURTH LEVELS - SHIP BORNE VENDING MACHINES

75100 SHIP BORNE VENDING MACHINES
75110 COFFEE/HOT DRINKS
75120 POP/COLD DRINKS
75130 SANDWICHES
75140 CONFECTIONARY
75150 CIGARETTES
75160

SECONDARY LEVELS - ADMINISTRATION & PLANNING

40000 ADMINISTRATION & PLANNING
41000 VESSEL OPERATIONS
42000 CUSTOMER SERVICES
43000 SUPPORT SERVICES
44000 BUDGET
45000 PLANNING
46000 SYSTEM DIRECTOR

TERTIARY LEVELS - VESSEL OPERATIONS

41000 VESSEL OPERATIONS
41100 PERSONAL SERVICES
41200 COMMUNICATIONS
41300 OFFICE SUPPLIES, EXPENSES
41400 TRAVEL
41500 OUTSIDE SERVICES
41600

FOURTH LEVELS - PERSONAL SERVICES

41100 PERSONAL SERVICES
41110 PORT CAPTAIN
41120 PORT ENGINEER
41130 PORT STEWARD

TERTIARY LEVELS - SUPPORT SERVICES

43000 SUPPORT SERVICES
43100 PERSONNEL SERVICES
43200 COMMUNICATIONS
43300 OFFICE SUPPLIES, EXPENSES
43400 TRAVEL
43500 OUTSIDE SERVICES
43600

FOURTH LEVELS - PERSONNEL SERVICES

43100 PERSONNEL SERVICES
43110 ADMINISTRATIVE OFFICE
43120 PROCUREMENT & SUPPLY
43130 PERSONNEL & LABOUR RELATIONS
43140 FINANCE
43150 FACILITIES SUPERVISOR
43160

TERTIARY LEVEL - STATUTORY SURVEY & INSPECTION

18000 STATUTORY SURVEY & INSPECTION
18100 HULL
18200 MACHINERY
18300 ELECTRICAL
18400 PASSENGER SPACES
18500 SAFETY EQUIPMENT
18600 NAVIGATIONAL EQUIPMENT

FOURTH LEVEL - MACHINERY

18200 MACHINERY
18220 TAIL SHAFT SURVEY
18230

SECONDARY LEVELS - SHORE FACILITIES

20000 SHORE FACILITIES
21000 PERSONAL SERVICES
22000 REPAIR & MAINTENANCE
23000 STORES & SUPPLIES (DOCK)
24000 STORES & SUPPLIES (SERVICE AREA)
25000 FOOD SERVICES
26000 RISK MANAGEMENT ALLOCATION
27000 POWER & UTILITIES
28000 STATUTORY SURVEY & INSPECTION
29000

TERTIARY LEVELS - REPAIR & MAINTENANCE

22000 REPAIR & MAINTENANCE
22100 MOORING & FENDERING
22200 PASSENGER & VEHICLE TRANSFER
22300 PASSENGER & VEHICLE WAITING
22400 DOCK DECK & CATWALKS
22500 SUPPORT STRUCTURE
22600 DOCK ACCESS

FOURTH LEVEL - PERISHABLE PRODUCE

15100 PERISHABLE PRODUCE
15110 MEAT
15120 POULTRY
15130 FISH & SEAFOOD
15140 DAIRY PRODUCTS
15150 FRESH FRUITS
15160 FRESH VEGETABLES

TERTIARY LEVEL - RISK MANAGEMENT

16000 RISK MANAGEMENT
16100 P AND I INSURANCE
16200 HULL & MACHINERY
16300 3RD PARTY LIABILITY
16400 CATASTROPHIC RISK
16500 STRIKE INSURANCE
16600 EXCESS LINES

TERTIARY LEVEL - FUEL

17000 FUEL
17100 MAIN ENGINES
17200 AUXILIARIES
17300
17400

FOURTH LEVEL - MAIN ENGINES

17100 MAIN ENGINES
17110 NAVIGATING CONSUMPTION
17120 MANOUVERING CONSUMPTION
17130 IN PORT CONSUMPTION

FOURTH LEVEL - AUXILIARIES

17200 AUXILIARIES
17210 NAVIGATING CONSUMPTION
17220 MANOUVERING CONSUMPTION
17230 IN PORT CONSUMPTION

EMPLOYEE BENEFITS

EMPLOYEE BENEFITS

CAPT. & C/E BENEFITS
DECK CREW BENEFITS
ENGINE CREW BENEFITS
STEWARDS DEPT. BENEFITS
CATERING STAFF BENEFITS

LS - CONTROLLABLE OVERTIME

CONTROLLABLE OVERTIME

CAPT. & C/E OVERTIME
DECK CREW OVERTIME
ENGINE CREW OVERTIME
STEWARDS DEPT. OVERTIME
CATERING STAFF OVERTIME

S - DECK CREW WAGES

DECK CREW WAGES

OFFICERS WAGES
AB WAGES
OS WAGES

LS - ENGINE CREW BENEFITS

ENGINE CREW BENEFITS

ENGINEERS BENEFITS
MECHANICAL ASSISTANTS BENEFITS
OILERS BENEFITS
ELECTRICIANS BENEFITS

LS - STEWARDS DEPT. OVERTIME

STEWARDS DEPT. OVERTIME

PURSER'S OVERTIME
CLEANING STAFF OVERTIME
OTHER HOTEL STAFF OVERTIME

with dry-dock and afloat inspections. The inspections should include a current resale value and a replacement value on each vessel and should be undertaken as if the AMH were buying the vessels from a third party and wished to be made aware of all of every identifiable problem relative to each ship.

Implementation as soon as Possible

Reorganize the management structure to be responsive to the needs of running a ferry fleet. This will require more people in marine operations and less in other areas. See management structure.

Commence approaches regarding separation of AMH from DOTPF into a state corporation. The Alaska Railroad can be used as a model.

Introduce a simplified accounting system that properly identifies the functional areas of the ferry operation.

Establish a system by which meaningful, regular exchanges between ship and shore can be undertaken.

4 - RECOMMENDED ACTION

4.1 - Implementation within 6 Months

- (i) Overhaul procurement process in conjunction with operations to develop a responsive process for obtaining stores and spares that are needed promptly.

The basic criteria have to be:-

(a) How long will the state procurement process take?

(b) How soon are the items needed?

If (b) is less than (a) then procurement must proceed via an expedited route.

- (ii) Inventory ship stores and spares in Seattle, Ketchikan and Juneau. Determine what is needed in each location, whether none or more of Seattle spares can be moved to Bellingham or Ketchikan. Request list from ships of all onboard stores and spares by department. Request ships to give details of where and how they could provide proper stores and spares storage.
- (iii) Overhaul ship safety procedures. A knowledgeable senior marine person with the fleet should be designated as safety officer and given time, budget and staff support, to review current procedures and introduce in conjunction with the vessels "Standing orders".
- (iv) Contract for baseline surveys of each ship in the fleet. This activity is essential for any MMS. This activity should cost no more than \$30,000 over all vessels and would include written detailed reports, with recommended remedial action. Work will probably need to be spread over 12 months in order to permit

4 - RECOMMENDED ACTION

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Contracts should contain clauses relative to:

- . Good workmanship
- . Welder qualification ABS certified or equivalent
- . Adherence to recognized quality standards e.g. AQAP1 or an acceptable quality control manual
- . Paint systems to be applied within manufacturers requirements for surface preparation, humidity and temperature
- . Requirements relative to weld testing (ASTM) for all steel work
- . A realistic approach to liquidated damages. Daily rates should at the very least equate to earning capacity of the ship on a daily basis.

Unless work needs are highly specific, the AMH should avoid, to the extent possible, detailed design or over complex specification relative to shipyard work. Performance language places responsibility with the shipyard and gives the AMH more control in the event of an incomplete or unsatisfactorily completed project.

All contractual shipyard work requires proper supervision to both ensure completion is to satisfactory standards and is either within budget or has minimal overrun. This activity can only be effectively undertaken by qualified marine personnel. Use of contract personnel on a consulting basis is recommended as reinforcement to the Port Engineers Staff. Such involvement should not exceed 2% of contract value and will save more than this amount in eventual costs.

Each vessel will need to be reviewed relative to available space and parts needs and store rooms fabricated and outfitted. It will not be possible to concentrate everything in one place (there is insufficient space available) without affecting revenue earning space. However much better organization can be provided and the spares and engine stores activity streamlined.

3.9 - Contracts

At the present time contracts prepared by facilities and planning are far too complex and contain a considerable amount of non-essential and inappropriate language. At a rough estimate, in excess of 60% of contract sections are unnecessary relative to a marine job.

On the other hand contract documents prepared by marine operations, while simpler and more to the point, omit many background clauses that provide both guidance and protection relative to shipyard bid work.

The optimum contract is thus somewhat more comprehensive than present operations documents, but significantly less bulky than facilities contracts.

Standard contractual language and formats may be included in an MMS that will ensure a workable document is produced. We would recommend that AMH submits a selection of contract documents to two Consulting Marine Engineering companies for review and preparation of standard clauses relative to work which the AMH has undertaken by outside vendors. In preparing these documents, it should be kept in mind that the more complex and onerous the document, the greater the cost to AMH, without any material improvement in the product.

3.8 - Spares

The supply of spares in any fleet operation is a major problem that can only be partially resolved by an MMS. With a lack of commonality through the fleet in term of machinery and equipment, it is not really possible to achieve as good a central spares depot as might be desired. However it is possible to achieve some preplanned stocking of essential spares on both a ship by ship basis and a fleet basis.

At present spares are stored on board each ship, except for major items such as spare propellers and tail shafts and some engine and miscellaneous spares which are warehoused in Seattle. There is an urgent need to inventory this equipment and determine what is appropriate to the fleet and what may be sold or traded.

Because of the procurement system thrust on the AMH, there will be a tendency of the ships to overorder (i.e a just in case policy) on major spares items that are critical to ship operation, but which would involved major hassles if ordered on a just in time basis. Thus a sympathetic system relative to spares ordering will in fact reduce costs. The AMH will also have to be prepared for considerable increase in cost and logistical problems relative to spares with the move to Bellingham. Where a supplier or agency could supply material virtually on call in Seattle, the three hour drive to Bellingham will make it necessary for a full day plus travel costs and possibly accommodation costs to be charged against a service call.

Shipboard Spares

Only the "Columbia" has a single custom made stock room for ship board spares. Other ships e.g "Taku" have fabricated locations, but most store spares in many locations. As a result finding a spare part that is known to be on board becomes a major problem.

The best approach to these guidelines is via regular masters and chief engineers meetings, which should be held on an annual basis. In this way operating guidelines can be changed as Coastguard rules change, or service conditions change with new terminals.

3.7 - Stores

Stores are regular consumable items that can be predicted with some certainty, acquired in large volumes and warehoused by the AMH against need.

Examples are:

| | |
|-------------|---|
| Deck Stores | Paint Cordage |
| Engine | Rags Solvents Lubes and Greases Nuts, bolts, O rings, clamps |
| Galley | Food Items Galley and Cafeteria Supplies |
| Stewards | Linens Soaps Cleaning Materials |

Budgets can be set and a cost control system readily instituted. In fact many of the existing line items in the AMH module of AKSAS address stores items on each ship in the fleet.

Accounting should have a good knowledge of stores requirements, budget and achievement levels for every vessel over time. Engine stores will require locations to be found and formalized within each ship. See next section for more detail.

3. Establish procedures for compiling investigative reports of any incident to ensure a balanced view is available. These procedures should include witness statements and the proper approach to these statements.
4. Hold seminars and workshops on legal and insurance matters for management and senior crew. The Purser and Stewards departments need to be intimately involved in these discussions.

These seminars should cover personal injury situations as well as vessel collision/stranding and vehicular damage scenarios.

The above commentary has covered, primarily, the risk of passenger injury and the impact on the AMH. However both management and senior deck and engine crew need to be aware of the extent of more conventional coverage for Hull and Machinery damage, Pollution liability and Protection and Indemnity coverage. The same procedures should be followed in terms of keeping informed of developments and making sure that each year the coverage is known and understood.

The AMH should also have instituted a set of formal guidelines relative to operation of the vessels and that these follow Coastguard requirements and specific service characteristics of the route.

Exemplary areas are:

- . Navigation equipment fully functional
- . No port departures on one engine
- . Propeller pitch fully functional
- . Limiting conditions for entrance crossings
- . Limiting conditions for areas of extreme tidal flows.

Risk Management for a ferry fleet and safety, in its broadest sense, go hand in hand. First it is necessary to identify the risk. On the AMHS, with a high proportion of retired people on board at all times and all embarkation/disembarkation via the car deck, there is a very real risk of injury simply in getting on and off the ships. Other matters that can increase risk are:

Hold down chains

Oil, water or ice on decks or lack of, non slip paint

Cramped stairways

Loose or inadequate hand rails

Lack of signage or lighting

Unmarked doorsills and stairways

Loose chairs or tables

Lack of a clear access route for foot passengers

Poor emergency information.

The list is endless, but very real in the ability of a minor defect to create a major claim.

The ship operator must thus minimize those risks that are unavoidable, and seek to diminish the impact of any problem that may occur.

Some measures may be taken to minimize risk and adequately prepare management should a problem occur.

1. Issue, and keep updated on a regular basis, a book of standing instructions for each vessel in the fleet.
2. Keep informed of developments relative to tort or negligence, transportation regulatory matters, and marine and liability assurance.

3.6 - Risk Management

AMH Marine risk includes standard Hull and Machinery, Pollution, Protection and Indemnity, to \$200 million. There is a \$1 million dollar retention or deductible on each incident which is self insured by the Department of Risk Management. FY 1990 premium will be \$2.8m which, given the size, age and operating characteristics of the fleet is excellent, although it apparently does not cover full replacement value of the vessels.

In general, maritime law has tended to limit shipping companies liability for loss or damage arising out of a marine incident, in the absence of actual fault or privity on the part of senior management. Historically it has been sufficient for management to be able to demonstrate that it believed it had appointed a competent master, for this limitation of liability to be accepted.

However precedent in recent years, as established (as in the cases of the "Marion", Garden City" and "The Lady Gwendolyn",) has considerably reduced the efficiency of the historic argument. This may be summarized by the UK House of Lords in the case of "The Lady Gwendolyn" wherein it was stated:-

"It seems to me that any company which embarks on the business of shipowning must accept the obligation to ensure efficient management of its ships if it is to enjoy the very considerable benefits conferred by the Statutory right to limitation".

"The Lady Gwendolyn" was the first case in which the responsibilities of management were spelled out, the subsequent cases of the "Marion" and the "Garden City" consolidated the premise into both the need to establish proper controls and to ensure that the requirements of those systems and controls are being followed. For example Exxon will find it hard to limit liability in the Valdez spill because the master was known to have had a "substance abuse" problem.

Engine Logs

Engine logs are stored in Juneau. These should however be retained in the Port Engineers office in Ketchikan and form part of each vessel's machinery history.

Some monitoring of machinery condition is accomplished through lubricating oil analysis. However no trend analysis is undertaken within AMH and because of the varying labs involved, consistent histories are not available. If lubricating oil analysis is to be used as a component of machinery condition trends, then consistent comparative histories must be maintained and used.

3.5.2 - Shore

As noted previously facilities conduct an annual condition survey for each terminal. Two maintenance runs are made each year plus any emergency work that is needed by a contract crew from Public Facilities. The crew is part of the group which supports all public buildings within S.E. Region. Regulatory requirements are nominal and involve only OSHA, who inspect infrequently.

Systems involved in the maintenance requirements included Emergency generators, electronic controls, 3 Synchrolift systems, hydraulic systems, coating systems, Cathodic Protection.

A formal MMS that incorporated shoreside equipment would be valuable in being able to generate a maintenance calendar and history for each item. With more sophisticated machinery and equipment now in place, a more comprehensive work order and work description orientated system will be needed that will supercede earlier "lubricate and check" procedures. Facilities maintenance are moving in this direction and will need a formal syst within the next 2-3 years as original components wear and require replacement.

Engineer, Port Captain and Port Steward will provide an essential basis for ship history files that do not at present exist.

Information derived from these documents enables management to determine corrective maintenance requirements; to bring the vessel up to a "bench mark" condition. Future planned and preventative maintenance and refit activity may then be measured against this benchmark and be planned from it.

Current reporting from the ship is in the form of weekly and monthly reports. If there are major problems while the ship is underway, then a Coast Guard incident report must be filed.

Weekly Report

Non mandatory in terms of content and thus its use as a fleet planning and vessel history document is limited. Current content of the single page (letter size) report includes the following:

- . Personnel Changes
- . Fuel Bunkered
- . Fuel Used
- . Summary of major work undertaken.

Monthly Report

Is mandatory in terms of content, but is primarily fuel orientated with fuel bunkered and location, on hand start and end month, used per day and per mile. Lube oil consumption Engine and Auxiliary running hours. No details are requested on non routine maintenance. Copies of representative monthly and weekly reports are incorporated with this review in the appendices.

Because of the varying degrees of sophistication in planned maintenance activity within the fleet, a full featured MMS introduced across the fleet would be doomed to failure. The approach must be to provide a system that can effectively be used at as simple or as complex a level as the chief and his 1st engineer require and are prepared to support. The incentive must always be there to make use of all the systems capabilities; but it should function adequately even if only the top one or two levels are being used.

While there is some weekly and monthly reporting by engineering crew to management, there is insufficient manpower in head office to undertake even minimal analysis.

There is general acceptance and interest in the possible introduction of a comprehensive system that could, through different attributes, be used widely on the ship. For example Purser and Stewards departments have indicated that various aspects of their documentary work could readily be "computerized".

An essential starting point for any planning exercise is an understanding of the condition of the asset base for which the plans are being formulated. While this is available, in terms of annual inspection reports for marine facilities, nothing is available on the fleet. ABS and USCG inspection reports simply record whether or not the vessel meets statutory criteria for classification or certification purposes, at the point of inspection. They do not offer an opinion and are not part of a planning document.

The AMH needs complete independent condition surveys on each vessel to be able to commence the planning process for both regular maintenance and major refit work. These condition surveys, together with commentaries provided by chief engineers, master, 1st mate, Port

Maintenance Management will require detailed discussions at a departmental level both at the concept stage and during implementation, to ensure that the principles are understood and concerns are properly addressed.

The current maintenance efforts are in a state of turmoil because of newly mandated purchasing policies that make it almost impossible for the ships to be maintained in a timely and cost effective manner.

The discussion in section 3.3 of this report on procurement addresses this vital issue.

3.5 - Maintenance Management

3.5.1 - Ship

Maintenance Management on the Alaska Marine Highway currently only exists at the ship level for regular planned maintenance activity. There is no effective preventative maintenance system in place within the system for either ship or shore equipment.

Methods of handling planned maintenance are as numerous on there are ships and chief engineers. However, from the simplest blackboard system to the most sophisticated, using PC's, they achieve their purpose of reinforcing the chief engineer's understanding of the machinery and equipment in his care.

However the present ship systems are almost exclusively organized to meet the needs of the engine room and do not extend to deck machinery, Galley, Hotel items etc. Thus there is no comprehensive ship system in the vessels.

---rightly or wrongly, a pervasive belief that much of management is unable or unwilling to comprehend the needs of the fleet: there certainly appears to be too little contact between operators and the fleet (which is understandable given the work pressures they are under) and no contact whatsoever with senior management; planning and contracts people.

No fleet can effectively operate without regular feed back between ship and shore. This feed back comes in two forms:

1) Regular meetings of heads of departments

The Chief Stewards meet annually, but Masters, Chief Engineers and Pursers do not appear to have the opportunity for such meetings.

2) Riding the vessels

Management must be out in the fleet more to be able to understand crew positions on issues and appreciate the impact of what is being planned or considered relative to individual vessels and the fleet as a whole. Operations must have the time to be able to do this and so must senior management and planning.

The concept of ship maintenance requests (SMR's) is good. However there is too little feedback to the ship relative what will or will not be implemented and the reasons. In the absence of firm information it is human nature to think the worst and come, perhaps, to unwarranted conclusions.

The "Matanouska" experiment in January this year is a step in the right direction, but does not enable specific policy issues to be addressed on a departmental basis. While such meetings may have a place in management/staff relationships they cannot be the sole forum.

- There must also be a recognition that stores and spares are two different areas. Consumable stores may be planned, while spares and parts are, at the present time totally unplannable. In the future, the introductory of an MMS will increase the proportion of preplanned spares and thus the quantity that can be bid under state procurement policies, but an MMS will never eliminate the need for ship and shore to respond promptly to specific requirements.

There should be an agreed list of sole source vendors for unique items that cannot be bid in a conventional manner. For spares and maintenance on these items it should be agreed that operations has the freedom to order when needed. This sole source listing could be made available on demand and made subject to an appeal process. Examples are MAK engine components and Syncrolifts for the terminals.

There should be an agreement that certain circumstances will preclude the normal bid process. These might be:

- . Ship Safety
- . Ship Certification
- . Ship Scheduling
- . Traffic Emergencies.

Purchasing limits for direct purchase without quote, purchase by telequote, purchase under state purchasing guidelines, must be set at realistic levels and either updated annually to reflect cost increases, or reviewed at no less frequently than 2 year intervals to set new levels.

3.4 - Management/Staff Relationships

Disillusionment of ship crews in management is so great, it is difficult to see how, with the present set up there can be any meaningful dialogue relative to maintenance management. There is,

appropriate department and budget allocation versus actual costs retrieved readily by ship or fleet at any point in time.

Acres has prepared, and submitted on March 22nd a preliminary chart of accounts that uses a logical breakdown of areas to provide the essential detail needed.

These codes may be used in conjunction with AKSAS to enable management to retrieve data on a timely basis and have on line access to high quality comparative information. Because of the lack of historical data, budgeting for future costs is almost impossible, except on a guesswork basis. Thus a ship orientated cost capture system will assist in identifying areas where excessive costs are involved.

3.3 - Procurement

The current procurement policies mandated for the fleet have imposed a crippling time and paperchase burden on the proper functioning of the AMHS. They also lead to increases - rather than decreases, in the cost of maintenance and operation.

It must be recognized that a ferry fleet operates 365 days each year with many thousands of pieces of equipment that are essential to its safe and effective operation. Much of this equipment is sole source and cannot be bid in a conventional manner. Operations management must therefore be free to make decisions that are in the best interests of the fleet and the state.

This is not to suggest that operations and vessels should have carte blanche to purchase whatever, whenever and wherever, but that there should be a sensible set of policies laid down that are easy to administer and enable the fleet to be operated effectively.

For any major project, the project team should consist of the ship department head involved, representatives from Port Engineer, Port Captain and Port Steward as appropriate, the CIP project manager, planning and contracts. In this way the CIP project manager has the benefit of operational advice relative to the activity being considered; the implications relative to ship support are fully understood; planning is able to develop a fully built up future cost rationale for different solutions that enable informed choices to be made, contracts have an experienced review panel available to make sure all eventualities are covered, and last, but not least the ship is involved in the process from beginning to end, leading to better relationships between ship and shore.

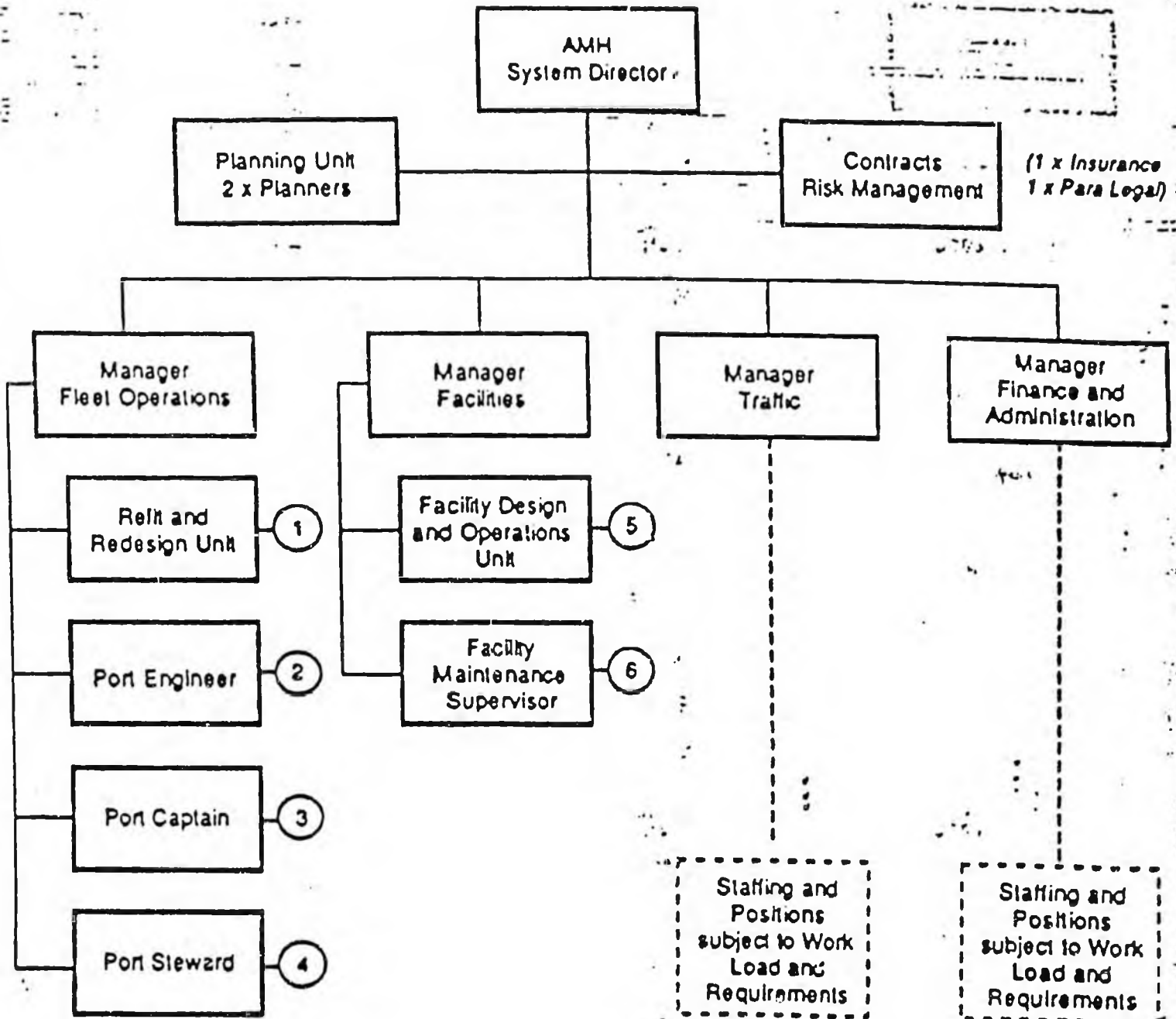
3.2 - Accounting System and Cost Control

At the present time the AMHS knows how much was spent in any given year, but not the detail of where it was spent. Some sections can be identified - for example fuel and personal services. Some detail is potentially available e.g. Stewards and Pursers supplies, but all detailed data is suspect because of the extraordinary complexity of the coding process for access to AKSAS.

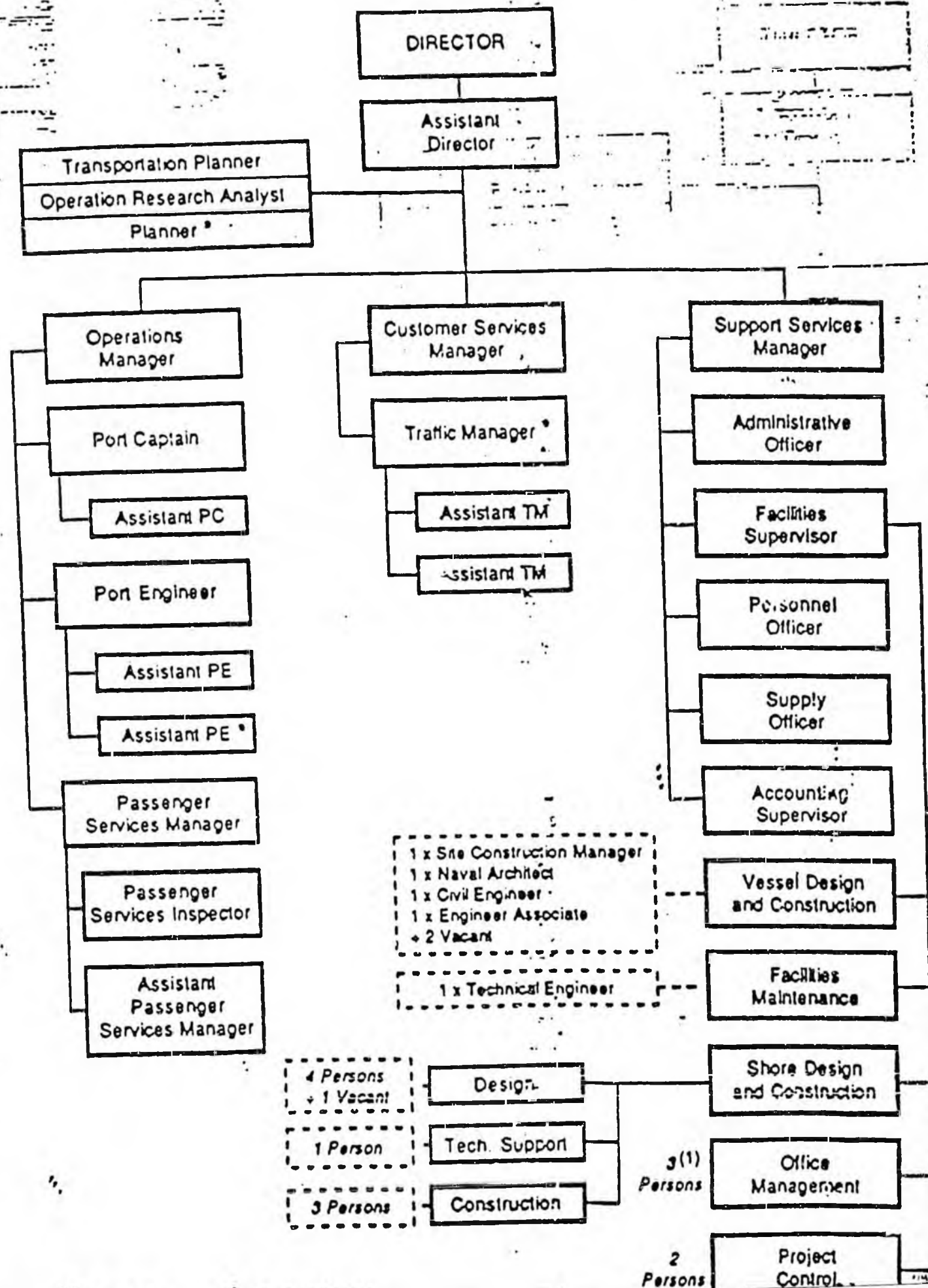
A steamship accounting system is unique only in the sense that it has more relationship with other transportation systems such as air or rail than it does with conventional business accountancy. Thus the chart of accounts for the AMHS must reflect, both on the cost and revenue side, the unique requirements of financial reporting for a ferry fleet.

A logical framework, which need not exceed 7 digits, but can be used at a much higher level, is all that is required to provide managers with realistic data within each department. By integrating this coding system with the MMS, invoices can be readily assigned to the

RECOMMENDED FUTURE AMH MANAGEMENT STRUCTURE



- | | |
|--|--|
| <p>① Naval Architect x 1 Marine Engineer x 1</p> <p>② Assistant Port Engineer SW, based in Valdez Assistant Port Engineer x 2 in Ketchikan Procurement x 1 in Ketchikan Storeman x 1 in Ketchikan Technical Procurement x 1 in Bellingham</p> <p>③ Assistant Port Captain x 2 Safety Officer x 1</p> | <p>④ Assistant Port Steward x 2 Hotel Supplies Procurement x 1 in Bellingham</p> <p>⑤ Civil Engineers x 2 Technical Assistance x 1</p> <p>⑥ Assistant Facility Supervisors x 2</p> |
|--|--|



(1) Secretarial

• Position Vacant

direct-marine experience involved in running the maintenance activity of a fleet of nine ageing ferries, plus one person responsible for crewing and deck department:

On the other side of the fence there are 5 persons involved in vessel design and construction, only one of whom has any direct qualifications for such activity. There are a further 8 persons in shore design and construction.

There are innumerable other persons involved in different support areas, but the basic operation of the fleet comes down to a totally insufficient core group of 5 marine professionals. This group is too small to do other than react to emergencies, it cannot plan for effective future maintenance and operational activity of the fleet. Without reinforcement with good calibre marine professionals it will be unable to support the fleet let alone administer an MMS. Other fleets reviewed relative to their use of MMS consider it important to have no more than three ships assigned to an individual asst. port engineer. A revised management structure and staffing is provided.

Capital projects appear to be developed and progressed without the benefit of any input from the ship involved or operations. Nor is there any effort to undertake a life cycle costing exercise to determine, over time, what the alternatives are and what the least cost solution will be.

At present money is wasted because of a lack of feedback between departments relative to CIP projects, many of which appear to be unnecessary in the form in which they are implemented.

3.1.2 - AMH to Retain Funding

The AMH is remarkable in that given the social obligations of the service, it is able to return close to 60% of its operating costs. By comparison Marine Atlantic, a Crown Corporation in Canada returns less than 40% of its costs.

The AMH may never, because of the social obligation nature, its route and service characteristics, be able to return a profit on operating costs. However it could return better than 70% given the opportunity to manage itself in a business like manner.

An essential part of this is to enable the AMH to retain its revenues. Without that there is no incentive for management to maximize revenue and the current situation will continue to apply - minimize costs at all cost.

There will need to be top up funding by the state, but this top up will be a known and budgeted amount each year. It can be negotiated as part of the agreement to establish a separate entity.

CIP funding can still be utilized for life extension and major refurbishment programs, with the AMH knowing in advance, how much would be available and being able to budget accordingly. The planning process for this work would also benefit from better operational input.

3.1.3 - Create a Lean, Efficient and Professional Marine Management Team

Current management and staffing for administrative purposes is outlined in the organization chart on the following page. From this outline it will be seen that there are only two persons with

3 - COMPONENT REVIEW

3.1 - AMHS Management

Current management of the AMHS is inadequate to the needs of the fleet and would not be able to gain any benefits from a maintenance management system.

There are three steps needed to save the fleet from an early demise

- 1) separate the AMHS from the DOI/PF
- 2) enable AMH to retain revenues
- 3) create a lean, efficient and professional marine management team.

Unless this process can be achieved, and soon, there is little hope for the continuation of an effective fleet, and no hope for an MMS.

3.1.1 - Separation from DOI/PF

Because the ferry fleet is an integral part of the Department of Transport and Public facilities, its administration and directives are essentially political rather than business orientated. While the State had access to unlimited funding, this situation did not matter much, funds could be found to implement directives.

However reducing funding while at the same time imposing more and more public burdens on the fleet (e.g KSI) creates intolerable pressures.

The fleet cannot, on the one hand, save money while on the other spend additional sums through state programs. Either greater funds are provided or the AMH must be able to manage itself in a business like manner.

2.9 - Spares

The present procurement process is crippling the fleet and leading both to increased direct costs and paperwork. Neither are necessary.

Clear policies must be set out that permit the fleet to operate safely, efficiently and economically, but at the same time maintain the spirit of the state's fair bidding process.

Section 3.9 sets out a recommended policy, without which an MMS cannot function.

Both the spares and the stores function will be seriously impacted by the decision to move terminal operations to Bellingham.

However, as some other fleet operators have discovered, introduction of maintenance management is just one aspect of a thorough overhaul of the total management system. See Section 3.6.

2.7 - Risk Management

Under normal circumstance Risk Management and maintenance management are only peripherally connected. However in a ferry fleet, because of the human element and the number and complexity of fire and safety systems that must be maintained. The two cannot be separated.

At the present time, the AMHS is piggybacked onto the state Risk Management activity which becomes a part of overhead. As a result of this separation little thought appears to be given within the AMH to the implication to the State of even a minor incident on one of the vessels. Safety and safety systems must be a day to day concern of both deck, stewards engine room and shore management. It should not be considered only when USCG inspection comes around or after an incident, see Section 3.7.

2.8 - Stores

Ship stores are one of the few areas that can reasonably be handled by a bid process. However, as in other areas there must be a counter balance achieved between price and quality. This is particularly important with, for example, food items which are the point of contact with the passenger and an important element in the well being of the crew. If quality is reduced to minimize costs, then complaints will escalate disproportionately to the saving.

Just as in other areas, procurement must be done by qualified people who are able to make, and justify, decisions not to use a low bidder.

2.4.2.- Shore

Shore maintenance requirements are presently limited because of the replacement of existing facilities has only recently been completed. However needs of the newer sophisticated systems will begin to grow in the next 2-3 years and the current organization is unlikely to be able to cope.

Section 3.4 addresses current maintenance practices.

2.5 - Management/Staff Relationships

There is an extraordinary degree of mistrust between ship and shore that has its root in the overall relationship between management and staff.

Ship systems and operations cannot function in isolation from the shore, both are interdependent. There must therefore be an effective dialogue between the two, outside of contract negotiations. Planning forums for the ship to understand managements prerogatives, and the shore to respond to ongoing needs of each vessel are essential.

The division of the two into employer and employee camps must cease and ship personnel be made fully aware that their input to both the short and long term planning process is both understood and appreciated. Section 3.5 expands on the topic.

2.6 - Maintenance Management

A corporate maintenance management system, that is integrated with effective management of the fleet, can materially assist in cost containment and vessel life extension programs.

2.3 - Procurement

Unlike roads and terminals, a shipping operation is dynamic and as such requires its managers to respond promptly to operational needs. The procurement system under which the AMHS operates creates both time delays and needless increased costs. There are mechanisms by which the AMHS can meet the prerogatives of state purchasing policy, and at the same time operate the fleet efficiently. Section 3.3 addresses this issue.

2.4 - Current Maintenance Practices

2.4.1 - Ship

Essentially the chief engineers along with the senior heads of departments have had ultimate responsibility for keeping the ships operating. Shore operational staff have been and are unable, because of limited resources, to do other than respond to emergencies and provide temporary band aids to shipboard problems.

Thus each ship has had to develop maintenance procedures that are responsive to the unique needs of the vessel, and the chief engineer's perception of its maintenance requirements. This has been possible only because of the very low turnover of AMH crews. However it has resulted in individually effective policies that are non-portable between vessels, and are only incidentally responsive to the needs of the system as a whole.

2 - EXECUTIVE SUMMARY

The AMHS is a system in dire need of redirection. Unless prompt action is taken to address its overall problems, no amount of maintenance management will prevent the demise of one of Alaska's major assets - the Marine Highway.

The system cannot be run as an adjunct to the bureaucratic process, dependent for 100% of its funding from the General Fund and not being permitted to manage its cash flow and operate in a business like manner. Unless separation can be achieved from DOTPF the condition of the fleet both physically and in terms of morale will continue to deteriorate.

2.1 - AMHS Management

Management of the AMHS must be established to manage a ferry fleet - not a Federal Highways program. It is essential that adequate expertise, effort and direction be available to run the vessels, which are after all the backbone of the system. A comparison of current management and an outline of an appropriate management structure and justification is provided in section 3.1.

2.2 - Accounting System

Efforts are being made, in which Acres has been involved, to redirect the capture and reporting of financial data within an appropriate chart of accounts. Without the ability to record and analyze cost and revenue data within logical areas, management cannot function.

An overview of an outline chart of accounts, and a discussion of the need for such an organization of cost and revenue capture is provided in section 3.2.

1 - INTRODUCTION

As one aspect of assessing cost control within the Alaska Marine Highway System (AMHS) Acres is undertaking a feasibility study into a maintenance management system (MMS).

The second report in this study is a Component Review of the AMHS that discusses current systems and practices and identifies changes that may be needed in order to enable an MMS to be introduced.

1. PROFESSIONAL SERVICE
 COMMODITY/SERVICE

| DOCUMENT TYPE | 3. TRACKING NUMBER | 4. DEPARTMENT NUMBER | 5. MAIL STOP | 6. COMMODITY OR SERVICE CODE NUMBER |
|-------------------------------|--------------------|----------------------|--------------|-------------------------------------|
| ASPS <input type="checkbox"/> | | | | |
| ITB <input type="checkbox"/> | | | | |
| CA <input type="checkbox"/> | | | | |
| PO <input type="checkbox"/> | | | | |
| DO <input type="checkbox"/> | | | | |

CONTRACTOR: _____

ESTIMATED DOLLAR AMOUNT OF THIS PROCUREMENT (INCLUDE ALL RENEWAL OPTIONS): \$ _____

REQUEST FOR ALTERNATE PROCUREMENT (RAP) NUMBER: _____

THE PROCUREMENT: a. COMPETITIVE SEALED BID
 b. COMPETITIVE SEALED PROPOSAL
 c. LIMITED COMPETITION
 d. SOLE SOURCE
 e. EMERGENCY

RESULTING IN AN: f. INITIAL CONTRACT
 g. AMENDMENT NO. _____
 h. OPTION RENEWAL NO. _____

DATE OF AWARD: _____
 (MUST BE COMPLETED)

PERIOD OF PERFORMANCE: FROM: _____ TO: _____
 (INCLUDE ALL RENEWAL OPTIONS) (MONTH/YEAR) (MONTH/YEAR)

PROCUREMENT AWARDED IN-STATE: YES NO

ITEM OR SERVICE PROVIDED BY PROCUREMENT (What and Where):

PROCUREMENT OFFICER: _____ TELEPHONE: _____

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366

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THE LEGISLATURE

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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

SB 366

House Transportation

4/5/90

House Transportation

4/9/90

Original sponsor(s): SEN. FRANK, Coghill, Fahrenkamp, Pourchot

1 IN THE SENATE

BY THE TRANSPORTATION COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 366 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Dalton Highway; and providing
7 for an effective date."

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

9 * Section 1. FINDINGS, PURPOSE, AND INTENT. (a) The legislature finds

10 (1) the northern portion of the Dalton Highway possesses unique
11 scenic and recreational resources of high public value;

12 (2) significant wildlife and fishery resources are present along
13 the Dalton Highway and represent important resources to highway users for
14 viewing and to local residents for subsistence;

15 (3) current levels of public law enforcement services along the
16 Dalton Highway are not sufficient to cope with increased use of the highway
17 to ensure the safety of users of the highway, or to protect fish and wild-
18 life resources;

19 (4) future facilities, both private and public, along the high-
20 way should be permitted and constructed only in accordance with land use
21 plans in order to prevent adverse effects on the scenic, recreational, or
22 fish and wildlife values of the highway corridor.

23 (b) It is the purpose of this Act to

24 (1) permit public use of a publicly owned and maintained high-
25 way; and

26 (2) increase and enhance tourism along the Dalton Highway.

27 (c) It is the intent of the legislature that

28 (1) the opening of the Dalton Highway not adversely affect local
29 fish and wildlife resources;

1 (2) rigorous monitoring, enforcement, and regulations be imple-
2 mented to protect fish and wildlife resources along the highway corridor;

3 (3) future developments in the highway corridor be restricted to
4 nodes of development of facilities and services along the highway;

5 (4) if land along the highway corridor is transferred to the
6 state, such land should not be disposed of, or subject to lease, by the
7 state except as provided by a land use plan prepared by the state.

8 * Sec. 2. AS 19.40.110 is amended to read:

9 Sec. 19.40.110. PUBLIC USE OF [A PORTION OF] THE HIGHWAY. The
10 department shall upgrade, maintain, and provide for the upkeep of the
11 [SECTION OF THE] highway to promote the public health, safety, and
12 welfare [BETWEEN THE YUKON RIVER AND DIETRICH CAMP] and shall keep
13 [THAT SECTION OF] the highway open to use by the public [BETWEEN JUNE
14 1 AND SEPTEMBER 1 EACH YEAR].

15 * Sec. 3. AS 19.40.290(2) is amended to read:

16 (2) "highway" means the secondary highway from the Yukon
17 River to a terminus near the Arctic Ocean.

18 * Sec. 4. This Act takes effect July 1, 1990.
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ALASKA STATE LEGISLATURE

Representative Eileen Panigeo MacLean
P.O. Box 290
Barrow, Alaska 99723



WHILE IN JUNEAU
Box V
Juneau, Alaska 99811
465-4525
465-4833

Chairman
Community & Regional Affairs
Committee

Vice-Chairman
State Affairs Committee
Bush Caucus

Member Finance Subcommittee
Community & Regional Affairs
Education
Corrections

HOUSE OF REPRESENTATIVES

District 22
Ambler
Anaktuvik Pass
Atkasuk
Barrow
Buckland
Deering
Kaktovik
Kiana
Kivallina
Kobuk
Kotzebue
Noatak
Noorvik
North Slope
Borough
Northwest Arctic
Borough
Nulqsut
Point Hope
Point Lay
Selawic
Shungnak
Wainwright

TESTIMONY BEFORE THE
HOUSE TRANSPORTATION COMMITTEE ON
CSSB 366 (Finance)

"An Act relating to the Dalton Highway;
providing for an effective date."

April 19, 1990

Thank you, Mr. Chairman, for hearing my concerns about CSSB 366 (Finance), "An Act relating to the Dalton Highway" and for incorporating some amendments into a committee substitute.

For the members' information, the amendments include:

- (1) the word, "upgrade," on page 2;
- (2) the clause, ", and provide for the upkeep of" on page 2; and,
- (3) the clause, "in order to promote public health, safety, and welfare" on page 2.

As I did at your first hearing, I would like to stress my strong opposition to the bill. My primary concern about opening the Dalton Highway is the harm it will have on subsistence activities.

In rural Alaska, subsistence activities are among the most most highly valued parts of the culture. Subsistence harvests still are essential parts of the rural economy.

Roads into rural areas usually result in declines in the subsistence way of living and thus directly threaten subsistence itself.

Roads bring about ecological change, increased competition for wild resources, and in-migration of cultural groups that do not hunt and fish for subsistence.

Opening the Haul Road will likely bring about these undesirable changes.

That is why I feel there is:

- (1) a need for a study into the feasibility of opening the highway; and,
- (2) a need for a committee to hear public testimony and to study the feasibility of opening the highway.

I would feel more comfortable if the bill took this approach and would appreciate it if your committee would address these needs.

The issue of liability

For your consideration and deliberation, I have requested a legal opinion on the issue of state liability for opening the Dalton Highway to year-round traffic. You will find a copy of it in your committee folder.

In its 1980 decision in *Burgess Construction Co. v. State*, the Alaska Supreme Court found that the state owes a duty to the public to design, construct, and maintain its highway in a safe condition. Hence, if an accident occurs after opening the Dalton Highway, the state may be liable for injuries attributable to the state's failure to reasonably design, construct, or maintain the highway.

To adequately address this potential liability, I direct your attention to the April 13, 1990 letter in your committee packet from the Alaska Department of Transportation and Public Facilities.

The department states that improvements to the Dalton Highway are needed. These improvements include reconstruction of the Livengood to Yukon River section, redecking of the Yukon River Bridge, resurfacing and calcium chloride application on various sections, embankment rehabilitation on the northern 65 miles of the route, and guardrail and culvert replacement.

The total costs of these improvements comes to \$16 million. To better address the liability issue and to address matters

relating to public safety and welfare, I urge the committee to include these costs in a fiscal note for the bill.

I appreciate the work the committee has done on the fiscal note for the Department of Public Safety, but I urge you to also address the potential costs of establishing a rescue base for the Dalton Highway. For your consideration, I submit an estimate from the North Slope Borough's Search and Rescue office.

The estimates include \$705,000 for basic equipment expenses and \$547,500 for personnel expenses for a total of \$1.3 million. I would appreciate your deliberation on this matter and that any fiscal note adopted by this committee adequately reflect the costs for search and rescue.

I would also like to direct your attention to the April 2, 1990 letter from Samantha Castle, Chair of the Alaska Board of Game. The Board of Game is concerned with the state's inability to enforce statutory and regulatory provisions addressing game management and harvest in the Haul Road area.

In order to adequately enforce hunting regulations, the Board supports the fiscal requests of the Alaska Department of Fish and Game and the Alaska Department of Public Safety.

In addition, the Board requests that statutory penalties for off-road vehicle use be included in AS 19.40, the statute relating to the Dalton Highway.

I request the committee to address these concerns as well as others contained in the letter.

Finally, I direct your attention to correspondence from Sandy Petit, Board Director of the Trucking Association of Alaska. Her letters echo the concerns about safety on the Haul Road that I and others have tried to bring to your attention.

Again, thank you for hearing my concerns about this matter.

ALASKA STATE LEGISLATURE

Representative Eileen Panigao MacLean
P.O. Box 280
Barrow, Alaska 99723



Chairman
Community & Regional Affairs
Committee

Vice-Chairman
State Affairs Committee
Bush Caucus

Member Finance Subcommittee
Community & Regional Affairs
Education
Corrections

WHILE IN JUNEAU
Box V
Juneau, Alaska 99811
465-4525
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HOUSE OF REPRESENTATIVES

District 22
Ambler
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Kotuk
Kotzebue
Noatak
Noorvik
North Slope
Borough
Northwest Arctic
Borough
Nulqsut
Point Hope
Point Lay
Selawic
Shungnak
Wainwright

TESTIMONY BEFORE THE HOUSE TRANSPORTATION COMMITTEE ON CSSB 366 (Finance)

"An Act relating to the Dalton Highway;
providing for an effective date."

April 5, 1990

Thank you, Mr. Chairman, for hearing my concerns about CSSB 366 (Finance), "An Act relating to the Dalton Highway; and providing for an effective date."

I oppose any legislation that would open the Dalton Highway to increased public use.

History

The Haul Road was constructed during the early 1970's to support oil development at Prudhoe Bay. It was understood then that there was a need to restrict use of the road only to traffic associated directly with the industrial functions of the Utility Corridor. Residents of the North Slope were assured that traffic would be restricted in order to protect subsistence resources and activities.

Negative impacts on subsistence resources and activities

Increased public access will increase the disturbance of subsistence resources and activities. Any legislation increasing traffic on the Dalton Highway should reflect the costs of protecting the resources from likely abuses. The fiscal note that came out of the Senate Finance Committee is woefully inadequate in

addressing the costs of protecting the renewable resources of Game Management Unit 26B.

Highway safety standards

Another concern I have is maintaining highway safety standards for increased public use of the highway. Have we fully analyzed what those costs will be and what the costs of increased maintenance will be?

Liability implications

In consulting with the Attorney General's office, I have found that if there is proven a causal link between a defect in highway standards and any accident that occurs, the state would be held liable and may be sued. I have asked the Attorney General's office for a legal opinion on this issue and will share it with the committee as soon as I receive it.

Search and rescue

And what about search and rescue functions? Are we ready to take on the increased responsibilities for providing emergency services?

Fiscal Notes

Finally, I urge the committee to direct its attention to the disparity in the fiscal notes accompanying the bill. The Department of Public Safety submitted a \$2.8 million fiscal note, which I feel better addresses policy concerns relating to public safety and the protection of subsistence resources. Yet, the Senate Finance Committee reduced that total amount \$342.9 thousand.

I urge the committee to report out fiscal notes that better reflect the actual costs and fiscal risk of increasing public access to the Dalton Highway.

Amendments

If you choose to pass this bill out, I urge you to include amendments that would address the risks of increasing public use of the Dalton Highway by protecting public health, safety, and welfare.

For your consideration, I submit the following amendment:

STEVE FRANK
DISTRICT K
SEAT A

Alaska State Legislature



Senate

MEMBER
Finance Committee
Resources Committee
Legislative Council
Special Committee on Banking &
Economic Development

VICE-CHAIR
Community & Regional
Affairs Committee

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3709
Capitol Rm. 514

MEMORANDUM

TO: Representative Richard Foster, Chairman
House Transportation Committee

FROM: Senator Steve Frank

RE: Request for a hearing on CS SB 366 "An act relating
to the Dalton Highway; and providing for an
effective date."

DATE: March 26, 1990

I am writing to request that you schedule SB 366 for a hearing before the Transportation Committee at your earliest convenience. The measure just passed the Senate on a vote of 17 yeas and 2 nays.

The legislation would open the James Dalton Highway (North Slope Haul Road) for public travel all the way to Prudhoe Bay on July 1 of this year.

The Dalton Highway is maintained by the Department of Transportation & Public Facilities (DOT/FF) with state general fund dollars. Currently, access past Disaster Creek is limited to those with a "commercial purpose." The Dalton is the only public road in Alaska closed to public travel. I think that is wrong and that the public has a right to travel a road that they own and pay to maintain.

The tourism potential for that area and the resulting economic benefits for the residents should not be ignored. This summer I participated in a DOT/PF sponsored trip up the Dalton and I was impressed by the unique beauty of the land. I think that the public, from both in and out of state would be impressed too.

Since I first introduced this bill 1987, we have taken extensive public testimony on the effects of opening the road on the fish & wildlife, as well as the safety of the travelling public. I believe that we have addressed those legitimate concerns and that it is time to open this road.

Thank you for your consideration.

HOUSE COMMITTEE REPORT

(5)
Date Referred: March 28, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: 4/24/90

The TRANSPORTATION Committee considered:

CS SB 366 (FINANCE)

CS SB NO. 366 (Finance)

DALTON HWY MAINTENANCE AND ACCESS

"An Act relating to the Dalton Highway; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CS for CS for SB 366 the same title a new title
- have attached amendment(s) (Transportation)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact DOT DPS
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) ~~DOT DPS~~ F+G
- zero fiscal note(s) DoA
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not Pass No Rec Amend

Richard J. Jasey
For the Purpose
of moving
out of
Committee

| <u>Ben Spangenberg</u> | | X | |
|-------------------------|--|---|--|
| <u>Bill Hulse</u> | | ✓ | |
| <u>Eugene A. Kubera</u> | | ✓ | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Richard J. Jasey
Chairman's Signature

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSSB 366 (Finance)

Pag 2, line 10, after "shall":

Insert "upgrade,"

Page 2, line 10, after "maintain,":

", and provide for the upkeep of"

Page 2, line 10, after "highway":

Insert "to promote public health. safety, and welfare"

FISCAL NOTE

REQUEST:

Revision Date: 4/18/90
Title: Public use of Dalton Highway

Agency Affected: Dept. of Public Safety
BRU: Alaska State Troopers and
Fish and Wildlife Protection

Sponsor: Rep. Frank
Requestor: House Transportation Committee

Components: Detachments (AST)
Enforcement (EWP)

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 91 | FY 92' | FY 93' | FY 94 | FY 95' | FY 96 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| PERSONAL SERVICES | 324.4 | 324.4 | 324.4 | 324.4 | 324.4 | 324.4 |
| TRAVEL | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| CONTRACTUAL | 250.0 | 150.0 | 150.0 | 150.0 | 150.0 | 150.0 |
| SUPPLIES | 12.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| EQUIPMENT | 234.0 | -0- | -0- | -0- | -0- | -0- |
| LAND & STRUCTURES | -0- | -0- | -0- | -0- | -0- | -0- |
| GRANTS, CLAIMS | -0- | -0- | -0- | -0- | -0- | -0- |
| MISCELLANEOUS | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL OPERATING | 828.4 | 486.4 | 486.4 | 486.4 | 486.4 | 486.4 |

| | | | | | | |
|---------|-------|-----|-----|-----|-----|-----|
| CAPITAL | 700.0 | -0- | -0- | -0- | -0- | -0- |
|---------|-------|-----|-----|-----|-----|-----|

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| REVENUE | -0- | -0- | -0- | -0- | -0- | -0- |
|---------|-----|-----|-----|-----|-----|-----|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|----------------|--------------|--------------|--------------|--------------|--------------|
| GENERAL FUND | 1,528.4 | 486.4 | 486.4 | 486.4 | 486.4 | 486.4 |
| FEDERAL FUNDS | -0- | -0- | -0- | -0- | -0- | -0- |
| OTHER | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | 1,528.4 | 486.4 | 486.4 | 486.4 | 486.4 | 486.4 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 4 | 4 | 4 | 4 | 4 | 4 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS : (Attach a separate page if necessary)

See attached information

Prepared by: Wendy Mulder/House Transportation Committee Phone: 465-4858
Division: House Transportation Committee Date: 4/18/90

Approved by Commissioner: _____ Date: _____
Agency: _____

Distribution (by preparer):

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

COMMITTEE SUBSTITUTE - SB #366

The attached fiscal note proposes to add 4 new positions to address the enforcement and safety concerns relating to opening the Dalton Highway to public use.

3 FULL TIME STATE TROOPER POSITIONS
1 FULL TIME FISH AND WILDLIFE OFFICER

The current proposed fiscal note would provide the Dalton Highway area with the following enforcement personnel.

| | | |
|----------|---|----------------------------------|
| Coldfoot | - | 1 F&W Officer (already existing) |
| Coldfoot | - | 1 F&W Officer (new position) |
| Coldfoot | - | 1 AST (new position) |
| 7 mile | - | 1 AST (new position) |
| Purdhoe | - | 1 AST (new position) |

All operating budget requests are proposed for funding at the level requested by DPS. A reduction has been made to the contractual line request.

CAPITAL COSTS

The House Transportation fiscal note reduces the capital costs significantly WITHOUT compromising safety.

Communication equipment

The department had requested a capital appropriation of \$1.25 million for a communication system that would ensure the ability to maintain and patrol the Dalton Highway in a manner that ensured the safety of the traveling public. In short, a system was requested to enable all points along the highway to communicate in an emergency.

The House Transportation Committee fiscal note proposes \$460,000 to construct an earth station and several repeaters from Atigun Pass north to the ocean. This would provide adequate communication for this entire area in case of emergencies. Alyeska Pipeline Company has agreed to allow the state to utilize its communication system from Atigun Pass south in emergency situations. This system would ensure the ability to communicate along the entire Dalton Highway on a 24 hour basis.

EMPLOYEE HOUSING

The employee housing costs have been reduced to \$240,000. This amount should be adequate to provide comfortable housing for employees.

APR 17 1990

APR 17 1990

STEVE COWPER, GOVERNOR

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

NORTHERN REGION, REGIONAL DIRECTOR

2301 PEGER ROAD
FAIRBANKS, ALASKA 99709-5316
PHONE: (907) 451-2210

April 13, 1990

Re: Dalton Highway
Log #90-192

The Honorable Eileen MacLean
Alaska State Representative
P.O. Box V
Juneau, AK 99811

Dear Representative MacLean:

The following information is in response to the questions you asked in your April 9, 1990 letter to Commissioner Hickey concerning what improvements would be necessary to bring the Dalton Highway up to State standards, and what those improvements would cost.

Basically, the Dalton Highway was designed and constructed to satisfy federal standards for a 45-50 mile per hour facility. Exceptions have been allowed for areas where terrain makes it impractical to satisfy these standards. Some notable areas where exceptions are allowed are Livengood to the Yukon River, Gobblers Knob, Chandalar Shelf and Atigun Pass. While some of the exceptions could be entirely or partially eliminated, others cannot. This situation is typical of most Alaskan Highway routes. All of the exceptions are indicated to drivers by appropriate signing.

Even though the basic highway meets standards (American Association of Transportation and Highway Officials - AASHTO), some improvements are needed. These include reconstruction of the Livengood to Yukon River section, redecking of the Yukon River Bridge, resurfacing and calcium chloride application on various sections, embankment rehabilitation on the northern 65 miles of the route, and guardrail and culvert replacement. We have included those improvements in various projects of our Six Year Plan as priorities allow. These projects and cost estimates are listed below.

Federal-Aid Highway Program

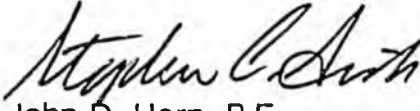
| <u>Project</u> | <u>Cost</u> | <u>Year Programmed</u> |
|-----------------------------------|--------------|------------------------|
| Dalton Highway, 9 Mile Hill North | \$ 3,430,000 | FY93 |
| Dalton Hwy, MP 0 North Reconstr | 4,400,000 | FY96 |
| Dalton Hwy, MP 209 South Rehab | 4,540,000 | Beyond FY96 |

General Fund Program

| <u>Project</u> | <u>Cost</u> | <u>Year Programmed</u> |
|---|--------------|------------------------|
| Dalton Hwy, Culvert Repairs | \$ 1,100,000 | FY92 |
| Dalton Hwy, Bridge Repairs/ Replacements | 1,500,000 | FY95 |
| Dalton Hwy, Guardrail Repairs | 1,000,000 | FY96 |

Thank you for your inquiry. Please contact me if you have additional questions.

Sincerely,


for John D. Horn, P.E.
Regional Director

NP/bdm

cc: Mark S. Hickey, Commissioner, Headquarters
John D. Martin, P.E., Chief of Planning and Research, Northern Region
Catherine McHugh, Legislative Liaison, Headquarters

STATE OF ALASKA
THE LEGISLATURE

FOURTH FLOOR
LEGISLATIVE AGENCY
1000 EAST 14TH AVENUE
ANCHORAGE, ALASKA 99514

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 11, 1990

SUBJECT: State liability for opening the Dalton Highway
to year round traffic

TO: Representative Eileen MacLean

FROM: George Utermohle *GU*
Legislative Counsel

Rena Bukovich of your staff has asked whether opening the Dalton Highway to public year round use would increase the potential legal liability of the state. This memorandum briefly discusses the considerations used to determine state liability for use of state roads. The determination of how much the state's liability exposure might be increased as the result of opening the Dalton Highway for the most part involves engineering, statistical, and risk analysis and is not subject to legal analysis.

Under the doctrine of sovereign immunity a state was immune from suit for tortious acts committed by the state or its agents. The State of Alaska like most states has abolished sovereign immunity. (AS 09.50.250 - 09.50.300) However the state did retain some protection from suit for torts arising out of "the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of a state agency or an employee of the state, whether or not the discretion is abused(.)" (AS 09.50.-250(1))

The Alaska Supreme Court has found it difficult to determine whether an act is discretionary or nondiscretionary. This difficulty has lead to seemingly inconsistent decisions: State v. Abbott, 498 P.2d 712 (Alaska 1972), if the state decides to maintain highway during winter, the state is subject to tort liability for injuries resulting from natural accumulation of ice and snow in conjunction with negligent highway maintenance; State v. I'Anson, 529 P.2d 188 (Alaska 1974), the failure to mark and stripe a highway was a non-discretionary act so the state was subject to tort liability

for an accident resulting from the failure to do so; Jennings v. State, 566 P.2d 1304 (Alaska 1977), state decision not to provide a pedestrian overpass and warning signs or post a lower speed limit were discretionary acts thus the state was immune from liability; Japan Air Lines Co. v. State, 628 P.2d 934 (Alaska 1981), design of an airport taxiway was a nondiscretionary act, so state is subject to tort liability for design defects; Wainscott v. State, 642 P.2d 1355 (Alaska 1982), decision to install a flashing red and yellow light instead of a stop light at a particular intersection was a discretionary act so the state was immune to suit; Industrial Indemnity Co. v. State, 669 P.2d 561 (Alaska 1983), failure to install a guard rail at a particular location though originally included in the highway design was a discretionary act thus the state was not subject to tort liability; Freeman v. State, 705 P.2d 918 (Alaska 1985), decision not to maintain dust control procedures on Dalton Highway was a discretionary act immune from tort liability.

These inconsistencies have made it difficult for policy makers to estimate the state's liability exposure for its actions in advance of a judicial determination. Generally, consideration of the "financial, political, economic, and social effects" of an act or decision are important elements of a discretionary act or decision. (Swanson v. United States, 229 F.Supp. 217, 219 (N.D. Cal. 1964)) "Decisions concerning the allocation of available funding are often immune from suit under the discretionary function exception." (705 P.2d at 920) However, "(s)tate liability is the rule; immunity is the exception." (Johnson v. State, 636 P.2d 47, 64 (Alaska 1981)) The state has a duty to control the state highway system. (AS 19.05.010 and 19.05.-030(1) and AS 19.10.030) The state owes a duty to the public to design, construct, and maintain its highways in a safe condition. (Burgess Construction Co. v. State, 614 P.2d 1380, 1382 (Alaska 1980)) Unless an action of the state relating to the design, construction, or maintenance of the state highway system is determined by the court to be a discretionary act, the state is liable for injuries attributable to its failure to reasonably design, construct, or maintain state highways.

The state's duty to design, construct, and maintain safe highways is defined by ordinary negligence principles. (498 P.2d at 724) The state has a duty to use reasonable care to keep a highway in a condition that is safe for the reasonably prudent traveler. (529 P.2d at 195) It is the breach

of this duty that makes the state liable for injury to persons who use state roads. The duty to maintain a highway includes not only maintaining the surface of the road in a safe condition but also includes warning the public of any condition that threatens safety, whether caused by nature or the acts of third persons. (498 P.2d at 726)

In the case of the Dalton Highway, the state had attempted to immunize itself from liability by requiring that all users of the highway sign an agreement to indemnify the state for any injury that the person suffers as a result of using the highway, even if the injury was the result of negligence by the state in maintaining the highway. The court found that these agreements were contrary to public policy and thus void, because such agreements provide "a disincentive for the state to observe that degree of vigilance necessary for the protection of those persons it is supposed to serve." (692 P.2d at 266) A similar rationale is applicable to an attempt to avoid liability by posting a warning sign. If the posting of a warning sign was sufficient to immunize the state in a situation where the state left a hazardous highway open to the public, then there would be no incentive for the department to abide by its duty to maintain highways in a safe condition.

The state can seek to limit its liability exposure by avoiding situations where there is an obvious risk to the traveling public and a concomitant risk that the state would be sued for injuries arising out of a dangerous situation. The determination of what is an acceptable liability exposure is a function of the risk posed by known hazards, the likelihood of injury, the nature and extent of the potential injury, the social utility of allowing the activity to continue despite the risk, and the cost of removing the hazard. Without the appropriate data on the factors involved in the opening of the Dalton Highway to the public year round the determination of the state's potential liability exposure is a highly speculative exercise at best. However, even on the best designed, constructed, and maintained highways in the state, an increase in the traffic on the highway will result in an increased number of accidents and an increased number of suits against the state claiming that the negligence of the state in some way caused or contributed to the accident.

The issue of the state's liability exposure for opening the Dalton Highway to the public is not a legal issue so much as it is a policy issue of how much risk the state is willing

Representative Eileen MacLean

Page 4

April 11, 1990

to accept, because the state will be legally liable for injuries and damages caused by its nondiscretionary acts and the number of cases in which the state will be held liable is a function of the amount of risk that the state assumes by failing to provide reasonably designed, constructed, and maintained and reasonably safe highways for use by the travelling public.

If I may be of further assistance, please advise.

GU:pl
WKP4/051

APR 10 1990

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

DIVISION OF BOARDS

STEVE COWPER, GOVERNOR

P.O. BOX 3-2000
JUNEAU, ALASKA 99802-2000
PHONE: (907) 465-4110

April 2, 1990

The Honorable Steve Cowper
Governor
State of Alaska
P. O. Box A
Juneau, Alaska 99811

RE: Opening of Dalton Highway

Dear Governor Cowper:

At the recently concluded meeting of the Board of Game a subject of discussion and concern was the potential impact on wildlife resources should the Dalton Highway be opened fully for public vehicular traffic. Board of Game members, as well as personnel from the Departments of Fish and Game and of Public Safety, and members of the public from affected user groups participated in those discussions. This letter is written to advise you of the concerns of the Board of Game with respect to the opening of the Dalton Highway, and to make recommendations to you and other public officials who may play a role in their resolution.

The primary concern of the Board of Game with regard to the opening of the Dalton Highway involves the practical inability of the State to enforce statutory and regulatory provisions addressing game management and harvest in the area adjacent to the pipeline north of the Yukon River. The pipeline corridor is statutorily closed to hunting (except by bow and arrow) for five miles on each side of the pipeline, and regulatorily closed to hunting with off-road vehicles in the same general area. Despite these restrictions, a distinct trend of shorter seasons and lower bag limits continues in that geographic area because of mounting concerns about game populations and hunting pressures.

Honorable Steve Cowper
April 2, 1990
Page Two

In order to address this concern the Board of Game recommends that, should the Dalton Highway be opened to the public, the following actions be considered by you and the Legislature:

1. Support the fiscal requests of the Department of Public Safety and the Alaska Department of Fish and Game in order to maximize enforcement of the current statutes and regulations.
2. Revise AS 19.40.210 to include penalties. This statute generally prohibits the use of off-road vehicles on the land within five miles of the right-of-way of the highway, but does not specify penalties for statutory violations. There can be no viable enforcement of the statutory restriction on off-road vehicle use in the area adjacent to the highway without a penalty clause. [NOTE: The Board of Game has limited authority and has imposed penalties only for hunting with off-road vehicles in the area adjacent to the Dalton Highway.]

In addition to the specific recommendations offered above, the Board of Game feels that some consideration should be given to providing statutory exception for local residents domiciled year-round within or immediately adjacent to the highway corridor, if such an exemption can be passed without compromising the viability of the general statutory prohibition on the use of firearms.

In conclusion, the Board wishes to state that in the future it will take every action necessary to protect the game populations, as well as right-of-access for hunters to those game populations. Indication of negative impact on game populations in the vicinity of the Dalton Highway will precipitate even more restrictive regulations by the Board of Game. It is the preference of the Board, however, that the Department of Public Safety be given adequate fiscal resources, and statutory penalties be established, to insure full practical enforcement of the current statutes and regulations.

Honorable Steve Cowper
April 2, 1990
Page three

In the absence of such budgetary and legislative action, the Board of Game hereby expresses concern for the future of the wildlife resources in the area of the Dalton Highway. Your support of the above noted recommendations to minimize this impact is requested.

Sincerely,



Samantha Castle
Chairman
Alaska Board of Game

cc: Honorable Tim Kelly, President, State Senate
Honorable Sam Cotten, Speaker, House of Representatives
Alaska State Senate members
Alaska State House of Representatives members
Commissioner, Department of Fish and Game
Commissioner, Department of Public Safety



Tanana Chiefs Conference, Inc.



122 First Avenue
Fairbanks, Alaska 99701-4897
(907) 452-8251
Fax (907) 451-8936



April 4, 1990

Representative Richard Foster
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Representative Foster:


The Tanana Chiefs Conference has had long standing concern about public use of the "north slope haul road". Villages adjacent to the corridor are heavily dependent on fish and game resources in that area. Increased use of the haul road will result in increased hunting pressures, both legal and illegal. The five mile hunting ban along the road is not adequately policed and is not an assurance that area resources will not be depleted as they have been in other areas with road access.

We recommend that attention is placed on adequate patrol of the portion of the road already open rather than on opening up the road further.

Sincerely,

TANANA CHIEFS CONFERENCE, INC.



 Cathie Ipalook
President

Dear Senator Frank,

I am writing to you in regard to Senate Bill 366. My primary concern with the opening of the Dalton Highway is public safety. I understand you took a trip on the Dalton Highway last summer and have concern for safety, although I would like to provide you with further insight on the safety standard that now exists and futuristic situations. I attended the teleconference held January 31, 1990 and heard individuals and agencies give their supporting reports and opinions regarding safety. These testimonies mainly revealed the amount of money they would need to spend and how much money they could save. These reports and studies are valuable and necessary information concerning the decision to open the Dalton or have it remain closed to public travel.

In the event the Dalton is opened to the public the burden of safety is inevitably going to fall on the shoulders of the state. Currently the Department of Transportation is underfunded, underequipped and in need of materials to properly maintain the road. With no additional funds budgeted in the near future, with or without the road opening, for better maintenance, I personally don't see the logic in opening the road until sufficient funds are available for better maintenance. According to the Department of Transportation, portions of the Fiscal 1991 operating, capital improvement and deferred maintenance budgets have been cut or postponed causing further deterioration. Even in consideration of these cuts, the road may still be opened to public travel.

You stated on January 16, 1990 that the Department of Public Safety has said that their department can handle the additional responsibility provided they are given the money requested in their fiscal notes. Am I to believe that if the money is not approved the road will not open or will it open regardless of the money? With this additional funding the Department of Public Safety is requesting for public and wildlife protection on the Dalton, I feel other very populated areas would benefit by the additional funds. Fairbanks, for one, has been operating on a skeleton crew of state troopers for years with budget cuts left and right. The safety standard in the Fairbanks area has dramatically declined over the last few years and I am concerned about the addition of three new troopers, whether blue or brown shirts, being budgeted for the Dalton. In perspective, the gross yearly funding for three new trooper positions, which include salary, benefits,

premium pay, travel, contractual, commodities and equipment would total \$352,300.00. The Coldfoot housing that is proposed would total \$495,000.00. The helicopter rental for the existing weekly flight as well as one additional weekly flight would total \$136,136.00. So the first fiscal year the very minimum the Department of Public Safety would spend is \$983,436.00 on a very underpopulated 200 miles of road. I concur with Senator Coghill when he stated that "if troopers are added to the Dalton Highway area, there will probably be concerns as to where those positions could best be used as far as traffic counts and the place where a trooper is needed is at the border".

As I understand, the Dalton was built to support and maintain the present, as well as future, oil fields we commonly call Prudhoe Bay, and to provide access to the pipeline. If this is, in fact, the concept of the Dalton and some of the public feels cheated out of travel to the Arctic Ocean on a publicly maintained road, then I wish to introduce a different view to this problem. While the citizens are providing funding to maintain this road for commercial traffic access, the state is continuing to receive 80% of its revenue from the oil companies. Without this publicly maintained road there would be no oil revenue money. The age old argument has revolved around the comparison of the Dalton to the Taylor Highway in regard to safety and maintenance. The biggest difference I see is that the Taylor is a thru highway where the Dalton is not. It is my thought that the Dalton is more of a service road, built not for pleasure travel but for the pipeline activity. As Bill Glude, Alaska Environmental Lobby, stated "the Dalton Highway can be traveled by tour buses and therefore is not closed to public access". I concur with this statement and would add that this is possibly a safer and more economical means of travel on the Dalton, as well as preserving the fragile ecosystem of the North Slope.

I will address a few points regarding safety I urge you to consider. The first concern is services provided along the Dalton. On January 16, 1990 Mark Hickey, Commissioner Department of Transportation and Public Facilities stated "there's a need to have facilities put in place at one or possibly two locations before anything is done". As you are aware, there are no services north of Coldfoot at the present time. The Bureau of Land Management reported that a campground facilities will be open at Arctic Circle for public use the summer of 1992. I can't help but wonder where that will leave the traveler until this facility is completed. The existing

wayside pull offs on the Dalton are inadequate for the truck traffic, especially north of Coldfoot. So to accommodate increased traffic there would have to be more than one new facility in place preferably before the summer of 1992, which, again, BLM has reported as the date two new pull offs will be in operation. Regardless of what BLM has planned for the 5 mile corridor on each side of the Dalton, reaching these facilities without event is my main objective.

For \$52,000.00 the Department of Transportation has purposed installing more trash barrels. These would be needed, although with the state's budget cuts and reduced hours, these barrels tend to overflow with trash and fall prey to rummaging wildlife. Bear proof barrels are nice but they are only as efficient as the state budget allows.

Along with lacking services, the response time for immediate attention for an injured person on the Dalton would be slow at best. Roger McCoy, Department of Public Safety, stated "one concern regarding public use is a majority of accidents that presently occur on the road are serious. Being far away from medical facilities, the chances for survival of a serious accident are reduced".

The second concern is regarding winter travel. As you are aware the extreme low temperatures are a serious consideration if the road is to be opened during winter seasons. It is not uncommon for the temperature to drop down to -50 degrees and the wind chill factor can drive that number even lower. For example, during the month of February, 1990 Prudhoe Bay reported a temperature, including wind chill, of -115 degrees. The commercial traffic experiences a multitude of problems in this weather, such as fuel gelling, air hoses desintegrating, air bags bursting, during blowing snow conditions air filters clogging, which results in the motor shutting off. These tractors are arctic equipped and it is all the drivers can do to keep them running during these adverse conditions. Again, this is at extremely low temperatures, but an average vehicle, although winterized would suffer greatly even at slightly warmer temperatures. Approximately the last 150 miles of the Dalton is without trees, consisting mainly of tundra. This type of terrain promotes considerable winds. These winds, that are sometimes constant, can cause the road to blow shut within an hour, with no advance warning. These winds also create a white out condition. This can reduce visibility to the length of a vehicle hood. The limited visability can continue for days or become calm within an hour.

This could result in a traveler being stranded or involved in an accident with another vehicle. The snow drifts that are formed due to high winds and blowing snow can also be a serious hazard to the winter traveler. A tractor sitting some two feet off the ground might be capable of breaking through these drifts, but a smaller vehicle would most likely become stranded and unable to continue travel. With out proper maintenance over the past years, the road grade of the Dalton has lowered and this also attributes to snow drifts forming and more often.

The third concern is summer travel. One important factor regarding summer travel is the dust problem. Dust, loose gravel and lost surface material are a severe problem on this highly-traveled, gravel road. These problems result in a constant need for expensive resurfacing work that the Department of Transportation does not have adequate funding for. The dust and loose gravel cause safety problems and reduce the level of service of the road. The resulting poor surface conditions lead to higher user costs through equipment wear and poor fuel efficiency. Passing, following or being passed by another vehicle can become a serious safety issue, due to adverse road conditions. The application of calcium chloride to the road surface would provide the most desirable traveling condition. Calcium chloride is needed as a dust palliative to reserve fine material on the road. Reducing dust would make travel safer and more comfortable. The calcium chloride would also reduce the washboarding effect the haul road is famous for. As I have stated previously, the Department of Transportation has for many years requested funding for calcium chloride and other materials but has been repeatedly denied.

The permafrost that the tundra promotes is also a safety hazard. Last summer, for example, some fully loaded tractor trailers, grossing upwards to 100,000 pounds, were experiencing loads shifting and becoming disarranged after hitting these frostheaves or undulations caused by permafrost. This will be a reoccurring problem I understand, but with better equipped maintenance camps these conditions would not go unrepaired for days and days.

The inefficient guard rails are also a blatant safety hazard. Sections of the guard rail are in need of repair and would be deemed useless as they are. As well as the unrepaired sections, some areas are literally sinking out of sight and are not functional. With the limited funds the Department of

Transportation has to work from, repairing guard rails sometimes falls down the priority list. A point I feel worth mentioning is that a very high percentage of damaged and ruined railing is a direct result of the State's snow removal equipment and avalanches.

I realize that maintaining a heavily-traveled gravel road is expensive and time consuming, that fact stands. Although with the steady decline of funds, which is apparent in the condition of the road today, what will the future hold for the trucks and public traffic that would travel this road? The maintenance of such a road as the Dalton is a constant battle for The Department of Transportation. The road to the average citizen may appear adequate for travel, but the underlying problems cannot be ignored. In 1982 the truck drivers shut down and refused to travel the Dalton due to safety standards and the adverse traveling conditions. At that time the worst sections were resurfaced and or repaired. Due to the lack of a dust palliative application, since 1982 the quality of the road has steadily deteriorated and is expected to continue this pattern. The Department of Transportation has stated that in it's present state, the Dalton Highway would require approximately 120 million dollars to restore it to adequate standards. That statement speaks volumes to me in regard to where the road stands concerning safety. Even if the road is only open during the summer months, the dangers lay waiting in any season. The Department of Transportation states they do not foresee any problems with the additional traffic counts if the road is opened to the public due to the fact that they currently maintain the road year round. I feel they are maintaining the road to assure passage to the existing traffic, but the Dalton is soon going to demand immediate attention and won't understand budget cuts. I urge you, Senator Frank, to reconsider the present safety standards now existing on the Dalton Highway.

I feel it is critical to state the timing of Senate Bill 366 on opening the Dalton Highway to public access July 1, 1990 is the epitomy of putting the cart before the horse.

Sincerely,

Sandy K. Petit
Board Director
Trucking Association of Alaska

FISCAL NOTE

REQUEST:

Revision Date: 3/30/90
Title: Dalton Highway Maintenance and Access
Sponsor: Senator Frank
Requestor: House Transportation

Agency Affected: Public Safety
BRU: Alaska State Troopers and Fish and Wildlife Protection
Component: Detachments (AST) and Enforcement (FWP)

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not included)

| OPERATING | FY 91 | FY 92 | FY 93 | FY 94 | FY 95 | FY 96 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 324.4 | 324.4 | 324.4 | 324.4 | 324.4 | 324.4 |
| TRAVEL | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| CONTRACTUAL | 345.1 | 265.1 | 265.1 | 265.1 | 270.1 | 270.1 |
| SUPPLIES | 12.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| EQUIPMENT | 234.1 | -0- | -0- | -0- | -0- | -0- |
| LAND & STRUCTURES | -0- | -0- | -0- | -0- | -0- | -0- |
| GRANTS, CLAIMS | -0- | -0- | -0- | -0- | -0- | -0- |
| MISCELLANEOUS | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL OPERATING | 923.6 | 601.5 | 601.5 | 601.5 | 606.5 | 606.5 |

| | | | | | | |
|---------|---------|-----|-----|-----|-----|-----|
| CAPITAL | 1,830.0 | -0- | -0- | -0- | -0- | -0- |
|---------|---------|-----|-----|-----|-----|-----|

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| REVENUE | -0- | -0- | -0- | -0- | -0- | -0- |
|---------|-----|-----|-----|-----|-----|-----|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|-----------------|---------|-------|-------|-------|-------|-------|
| GENERAL FUND | 2,753.6 | 601.5 | 601.5 | 601.5 | 606.5 | 606.5 |
| FEDERAL FUNDS | -0- | -0- | -0- | -0- | -0- | -0- |
| OTHER/PROG RCPT | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | 2,753.6 | 601.5 | 601.5 | 601.5 | 606.5 | 606.5 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 4 | 4 | 4 | 4 | 4 | 4 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (Attach a separate page if necessary)

See attached information.

Jan 3/30/90
Prepared by: Francis C. Allan
Division: Administrative Services

Phone: 269-5691
Date: 3/30/90

Approved by Commissioner: *S.P.H.* Arthur English
Agency: Department of Public Safety

Date: 3-30-90
Page 1 of 8

Department of Public Safety
 Fiscal Note Analysis, continued
 CSSB 366 (FIN), Dalton Highway Maintenance & Access
 Page 2 of 8

With the Dalton Highway open throughout the entire year for public travel, a full range of law enforcement services must be provided. Increased activity is projected for both Alaska State Trooper enforcement patrol and investigation to provide for accident response, highway patrol, criminal investigation, and search and rescue services. Fish and Wildlife Protection is projecting an increase in Fish and Game violations which will require additional enforcement. The majority of enforcement will be along the highway corridor. Search and rescue and wildlife enforcement will require off-highway activity.

Four additional State Trooper positions (3 AST and 1 FWP) will be needed to provide adequate enforcement. One trooper will be assigned to Prudhoe, two at Coldfoot, and one at Seven Mile.

Summarized below are personal services and related operating costs for each location for the first year only:

| | 2 X Trp. (AST&FWP) <u>Coldfoot</u> | 1 X Trp. (AST) at <u>Prudhoe</u> | 1 X Trp. (AST) at <u>7 Mile</u> | Helo Patrol | Dept. of Admin. <u>Communic.</u> | FY 91 <u>Total</u> |
|-------------------|--|--|---------------------------------------|----------------|--|-----------------------|
| Personal Services | 162.2 | 81.1 | 81.1 | -0- | -0- | 324.4 |
| Travel | 4.0 | 2.0 | 2.0 | -0- | -0- | 8.0 |
| Contractual | 74.8 | 34.4 | 24.4 | 8.4 | 203.1 | 345.1 |
| Supplies | 6.0 | 3.0 | 3.0 | -0- | -0- | 12.0 |
| Equipment | <u>177.1</u> | <u>28.5</u> | <u>28.5</u> | <u>-0-</u> | <u>-0-</u> | <u>234.1</u> |
| TOTAL | <u>424.1</u> | <u>149.0</u> | <u>139.0</u> | <u>8.4</u> | <u>203.1</u> | <u>923.6</u> |

PERSONAL SERVICES

Four full-time trooper positions.

TRAVEL

Required per mandatory training needs.

CONTRACTUAL

For expenses related to utilities, vehicle and aircraft operation and maintenance, personnel training, contracted housing in Prudhoe, and personnel support costs.

SUPPLIES

Office supplies and miscellaneous enforcement needs, personnel uniforms, vehicle accessories.

EQUIPMENT

Four 4x4 wheel drive vehicles with necessary communications and medical equipment. One single engine aircraft with wheels, skis (FWP). Two snowmachines on trailers (AST & FWP).

HELICOPTER PATROL (Fairbanks)

Funding for six additional Dalton Highway patrol assignments from the Fairbanks Post for both Alaska State Troopers and Fish and Wildlife Protection Enforcement.

SINGLE ENGINE AIRCRAFT

To be assigned to Coldfoot for Fish and Wildlife Enforcement and Search and Rescue operations. An FWP aircraft hangar is already in place at Coldfoot.

CAPITAL BUDGET - Employee Housing

A duplex housing unit will be needed in Coldfoot for the two new positions. The new unit will be constructed next to the FWP unit now there. The construction cost for the duplex has been estimated by the Department of Transportation and Public Facilities at \$580,000. DOT/PF contact is Betsy Engle, Director of Northern Region Design and Construction, 451-2272.

COMMUNICATIONS

In order to provide for the timely notification of citizens in need of public assistance a communications system will need to be established along the Dalton Highway. Cost estimates provided by Paul Monette, Department of Administration, Division of Information Services, 465-2220, are as follows:

Capital Budget: \$1,250.0

| | | |
|---------------------|---------------|---------|
| Operating Expenses: | FY 91 | \$203.1 |
| | FY 92, 93, 94 | 163.1 |
| | FY 95, 96 | 168.1 |

The \$1.25 million capital appropriation will fund a system that will consist of a combination of leased satellite and terrestrial microwave services and two-way radio equipment. The design will provide a system of public safety radio repeaters linked to an earth station which will link this repeater system to Fairbanks. The system will be expandable to economically accommodate totally separate channels for other agencies.

The system is intended to provide communications to State agencies in maintaining and patrolling the Dalton Highway. The system design would permit

future installation of emergency call boxes on some sections of the highway at a cost of approximately \$20,000 each. Some additional study would be required to totally explore the feasibility of year-round operation of the emergency call boxes.

MULTIPLE RESCUE OPERATIONS

This fiscal note does not address response to a major accident such as one involving a tour bus for example. The cost that would be associated with maintaining a rescue capability to deal with such a catastrophe is clearly prohibitive. In such an event, the Department of Public Safety would require substantial assistance from the private sector and/or the military.

| | | | | | |
|--|----------------------|---|--------------------|-------------------------|----------------------|
| Position Title AST State Trooper | | No. of Positions 1 | Range/Step 76/A | Barg. Unit PSEA | |
| Time Status PFT | Staff Months 12.0 | Location Coldfoot | | Election District 24 | |
| Type of Expenditure | | Justification | | | |
| Amount | | <p>A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation and search and rescue along the Dalton Highway. This Trooper position must have 4 x 4 vehicle (158P) in order to be able to travel the rough road during winter conditions. Another equipment item needed is a snow machine to provide transportation for search and rescue and other off-road operations. \$10.0 is included for training costs for a new Trooper to fill this position. All other costs are average Trooper costs and are based upon experience.</p> <p>Additionally, no housing currently exists in Coldfoot and a unit will be needed to be constructed in Coldfoot. This will be a duplex to house this position and the FWP Trooper.</p> | | | |
| 1 | 2 | | | | 3 |
| Salary* | 59,195 | | | | //////////////////// |
| Benefits* | 21,934 | | | | //////////////////// |
| Premium Pay (Included in Above) | //////////////////// | | | | //////////////////// |
| Other | //////////////////// | | | | //////////////////// |
| Total Personal Services | //////////////////// | | | | 81.1 |
| Travel | | | | | 2.0 |
| Contractual | | | | | 24.4 |
| Commodities | | | | | 3.0 |
| Equipment | | | | | 28.5 |
| Other | | | | | |
| Total Cost | | | | | 139.0 |
| Funding Source for total Cost | | | | | |
| Federal Receipts | 1002 | | | | |
| G.F. Match | 1003 | | | | |
| General Fund | 1004 | 139.0 | | | |
| Program Receipts/GF | 1005 | | | | |
| I-A Receipts | 1007 | | | | |
| CIP Receipts | 1061 | | | | |
| Other | | | | | |
| * Personal Services Salary and Benefits Costs are from PACS. | | | | | |

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Alaska State Troopers
 COMPONENT Detachments

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 Revised Date

FY 91

| | | | | |
|--|----------------------|--|--------------------|-------------------------|
| Position Title AST State Trooper | | No. of Positions 1 | Range/Step 76/A | Barg. Unit PSEA |
| Time Status PFT | Staff Months 12.0 | Location Prudhoe | | Election District 24 |
| Type of Expenditure | | Justification | | |
| | | A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation and search and rescue along the Dalton Highway. This Trooper position must have 4 x 4 vehicle (158P) in order to be able to travel the rough road during winter conditions. \$10.0 is included for training costs for a new Trooper to fill this new position. | | |
| Amount | | Housing for this Trooper would be contracted at the Prudhoe site. | | |
| 1 | 2 | 3 | | |
| Salary* | 59,195 | ////////// | | |
| Benefits* | 21,934 | ////////// | | |
| Premium Pay (Included in Above) | ////////// | ////////// | | |
| Other | ////////// | ////////// | | |
| Total Personal Services | ////////// | 81.1 | | |
| Travel | | 2.0 | | |
| Contractual | | 34.4 | | |
| Commodities | | 3.0 | | |
| Equipment | | 28.5 | | |
| Other | | | | |
| Total Cost | | 149.0 | | |
| Funding Source for Total Cost | | | | |
| Federal Receipts | 1002 | | | |
| G.F. Match | 1003 | | | |
| General Fund | 1004 | 149.0 | | |
| Program Receipts/GF | 1005 | | | |
| I-A Receipts | 1007 | | | |
| CIP Receipts | 1061 | | | |
| Other | | | | |
| * Personal Services Salary and Benefits Costs are from PACS. | | | | |

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Alaska State Troopers
 COMPONENT Detachments

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 Revised Date

FY 91

| | | | | |
|---|----------------------|------------------------|--------------------|-------------------------|
| Position Title AST Staff Trooper | | No. of Positions 1 | Range/Step 76/A | Barg. Unit PSEA |
| Time Status PFT | Staff Months 12.0 | Location Seven Mile | | Election District 24 |
| Justification | | | | |
| A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation, and search and rescue along the Dalton Highway. This Trooper position must have a 4 x 4 vehicle (158P) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience, including \$19.0 for training of a new Trooper. | | | | |
| Type of Expenditure | | Amount | | |
| 1 | 2 | 3 | | |
| Salary* | 59,195 | //////////////////// | | |
| Benefits* | 21,934 | //////////////////// | | |
| Premium Pay (Included in Above) | //////////////////// | //////////////////// | | |
| Other | //////////////////// | //////////////////// | | |
| Total Personal Services | //////////////////// | 81.1 | | |
| Travel | | 2.0 | | |
| Contractual | | 24.4 | | |
| Commodities | | 3.0 | | |
| Equipment | | 28.5 | | |
| Other | | | | |
| Total Cost | | 139.0 | | |
| Funding Source for Total Cost | | | | |
| Federal Receipts | 1002 | | | |
| G.F. Match | 1003 | | | |
| General Fund | 1004 | 139.0 | | |
| Program Receipts/GF | 1005 | | | |
| I-A Receipts | 1007 | | | |
| CIP Receipts | 1061 | | | |
| Other | | | | |
| * Personal Services Salary and Benefits Costs are from PACS. | | | | |

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Alaska State Troopers
 COMPONENT Detachments

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 Revised Date

FY 91

| | | | | |
|--|----------------------|---|--------------------|-------------------------|
| Position Title FWP State Trooper | | No. of Positions 1 | Range/Step 76/A | Barg. Unit PSEA |
| Time Status PFT | Staff Months 12.0 | Location Coldfoot | | Election District 24 |
| Type of Expenditure | | Justification | | |
| 1 | 2 | 3 | | |
| Salary* | 59,195 | A fully trained and experienced law enforcement officer is needed to provide accident response, patrol, investigation, and search and rescue along the Dalton Highway. This Trooper position must have a 4 x 4 vehicle (156R) in order to be able to travel the rough road during winter conditions. All other costs are average Trooper costs and are based upon experience, including \$10.0 for training a new Trooper. Another item of equipment needed by this FWP Trooper is a snow machine to allow for off-road patrol to enforce game regulations. | | |
| Benefits* | 21,934 | One single-engine aircraft and its operation of approximately 300 hours is included with this position. The aircraft will be used for highway patrol, off-highway enforcement of game laws, search and rescue missions, and emergency evacuations. | | |
| Premium Pay (Included in Above) | | | | |
| Other | | | | |
| Total Personal Services | | 81.1 | | |
| Travel | | 2.0 | | |
| Contractual | | 50.4 | | |
| Commodities | | 3.0 | | |
| Equipment | | 148.6 | | |
| Other | | | | |
| Total Cost | | 285.1 | | |
| Funding Source for Total Cost | | | | |
| Federal Receipts | 1002 | | | |
| G.F. Match | 1003 | | | |
| General Fund | 1004 | 285.1 | | |
| Program Receipts/GF | 1005 | | | |
| I-A Receipts | 1007 | | | |
| CIP Receipts | 1061 | | | |
| Other | | | | |
| * Personal Services Salary and Benefits Costs are from PACS. | | | | |

REQUEST FOR
NEW POSITION

AGENCY Department of Public Safety
 BRU Fish & Wildlife Protection
 COMPONENT Enforcement & ISU

Page 8 of 8
 Revised Date

FY 91