

ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672  
7333 HOUSE TRANSPORTATION

5 statement from the employer which contains:

6 (1) A general statement of the policy on school bus operator  
7 drug use which will include identifying both the grounds on  
8 which a school bus operator may be required to submit to a drug  
9 test and the actions which may be taken on the basis of a  
10 positive confirmed drug test result;

1 (2) A statement advising the school bus operator of the  
2 existence of sections 1 to 15 of this act;

3 (3) A general statement concerning confidentiality;

4 (4) Procedures for school bus operators to confidentially  
5 report the use of prescription or non-prescription medications  
6 prior to being tested;

7 (5) Circumstances under which drug testing may occur, and  
8 a description of which operators will be subject to testing on a  
9 reasonable suspicion, neutral selection or other basis;

10 (6) The consequences of refusing to submit to a drug test;

11 (7) A statement that a school bus operator who receives a  
12 positive confirmed drug test result may contest the accuracy of  
13 that result or explain it,

14 (8) A list of all drugs for which the test may be conducted.  
15 Each drug shall be described by its brand name or common  
16 name, as applicable, as well as its chemical name;

17 (9) A statement regarding any applicable collective  
18 bargaining agreement or contract.

19 2. An employer shall post the notice in an appropriate and  
20 conspicuous location on the employer's premises and copies of  
21 the policy will be available for inspection during regular  
22 business hours by school bus operators in the employer's  
23 personnel office or other suitable locations.

24 3. The department of health shall develop standard  
25 language for those sections of drug testing notices described in  
26 subsection 1 of this section.

27 4. An employer who conducts job applicant drug testing  
28 shall notify the applicant, in writing, upon application and prior  
29 to the collection of the specimen for the drug test, that the

30 applicant may be tested for the presence of drugs or drug  
31 metabolites.

32 5. A school bus operator or job applicant required to submit  
33 to a drug test may be requested by an employer to sign a  
34 statement indicating that he has read and understands the  
35 employer's drug testing policy and notice. A school bus operator's  
36 or job applicant's refusal to sign such a statement shall not  
37 invalidate the results of any drug test, or bar the employer from  
38 administering the drug test or from taking action consistent  
39 with the terms of an applicable collective bargaining agreement  
40 or the employer's drug testing policy, or from refusing to hire  
41 the job applicant.

42 Section 4. 1. All drug testing conducted by employers  
43 shall be in conformity with the standards established in this  
44 section, other applicable provisions of sections 1 to 15 of this act,  
45 and all applicable regulations promulgated pursuant to sections  
46 1 to 15 of this act.

47 2. An employer may require that the following types of drug  
48 tests be administered to school bus operators or job applicants:

49 (1) Employers may require job applicants to submit to a  
50 drug test as a condition of the employment application and may  
51 use a refusal to submit to a test or may use a positive confirmed  
52 test result as a basis for refusal to hire;

53 (2) An employer may require all school bus operators to  
54 submit to reasonable suspicion drug testing;

55 (3) An employer may require a school bus operator to  
56 submit to a drug test on a neutral selection basis;

57 (4) An employer may require a school bus operator to  
58 submit to a drug test if the test is conducted as part of a  
59 routinely scheduled employee fitness for duty medical  
60 examination that is part of the employer's established policy and  
61 which is scheduled routinely for all school bus operators  
62 employed by the employer;

63 (5) An employer may require a school bus operator to  
64 submit to neutral selection or routine drug tests if the test is

14 conducted in accordance with the terms of an applicable  
 25 collective bargaining agreement or contract that permits the  
 16 employer to administer drug tests on a neutral selection or  
 17 routine basis.

Section 5. All specimen collection and testing for drugs  
 2 under this act shall be performed in accordance with the  
 3 regulations promulgated by the department of health. Such  
 4 regulations shall provide standards and procedures with respect  
 5 to the following:

6 (1) The collection of specimens shall be performed under  
 7 reasonable and sanitary conditions. Individual dignity shall be  
 8 preserved to the extent practicable;

9 (2) Specimens shall be collected in a manner reasonably  
 10 calculated to prevent substitution of specimens and interference  
 11 with the collection or testing of specimens;

12 (3) Specimen collection shall be documented, and the  
 13 documentation procedures shall include:

14 (a) Labeling of specimen containers so as to reasonably  
 15 preclude the likelihood of erroneous identification of test results;  
 16 and

17 (b) An opportunity for the school bus operator or job  
 18 applicant to provide any information that he considers relevant  
 19 to the test, including identification of currently or recently used  
 20 prescription or non-prescription drugs, or other relevant medical  
 21 information. The provision of this information shall not preclude  
 22 the administration of the drug test, but shall be taken into  
 23 account in interpreting any positive confirmed results,

24 (4) Specimen collection, storage and transportation to the  
 25 testing site shall be performed in a manner which shall  
 26 reasonably preclude specimen contamination or adulteration;

27 (5) Specimen testing for drugs shall conform to scientifically  
 28 accepted analytical methods and procedures;

29 (6) Each confirmation test conducted under sections 1 to 15  
 30 of this act, not including the taking or collecting of a specimen  
 31 to be tested, shall be conducted by a laboratory approved by the

32 department of health for this purpose;

33 (7) A specimen for a drug test may be taken or collected  
 34 by any of the following persons:

35 (a) A physician, a registered professional nurse or a licensed  
 36 practical nurse;

37 (b) Any person deemed qualified by the department of  
 38 health;

39 (8) The department of health may establish a program to  
 40 train and certify persons to collect specimens and conduct on-  
 41 site drug tests in the workplace. Employers may designate  
 42 employees for this training and certification, or may utilize any  
 43 person so trained and certified;

44 (9) A person who collects or takes a specimen for a drug  
 45 test conducted pursuant to sections 1 to 15 of this act shall  
 46 collect an amount sufficient for three drug tests as defined by  
 47 the department of health;

48 (10) Any drug testing conducted or requested by an  
 49 employer shall occur during the regular work period of current  
 50 school bus operators and shall be deemed to be performed during  
 51 work time for purposes of determining compensation and  
 52 benefits for current school bus operators;

53 (11) Every specimen that produces a positive confirmed  
 54 result shall be preserved by the approved laboratory that  
 55 conducts the confirmation test for a period of ninety days from  
 56 the time the results of the positive confirmed test are mailed  
 57 or otherwise delivered to the employer. During this period, the  
 58 school bus operator or job applicant who has provided the  
 59 specimen shall be permitted by the employer to have a portion  
 60 of the specimen retested, at the school bus operator's or  
 61 applicant's expense, at an approved laboratory chosen by the  
 62 school bus operator or applicant. The approved laboratory that  
 63 has performed the test for the employer shall be responsible for  
 64 the transfer of the portion of the specimen to be retested, and  
 65 for the integrity of the chain of custody during such transfer;

66 (12) Within five working days after receipt of a positive

37 confirmed test result report from the testing laboratory, an  
 38 employer shall, in writing, inform a school bus operator or job  
 39 applicant of such positive confirmed test result and inform the  
 40 school bus operator or applicant, in writing, of the consequences  
 41 of such a report and the options available to him;

2 (13) A school bus operator or job applicant may request and  
 3 receive from the employer a copy of the test result report;

4 (14) An employer may not discharge, discipline, refuse to  
 5 hire or discriminate against a school bus operator or job  
 5 applicant on the basis of a positive test result that has not been  
 7 verified by a confirmatory test; and

8 (15) An employer who performs on-site drug tests or  
 9 specimen collection shall establish chain-of-custody procedures  
 10 to ensure proper recordkeeping, handling, labeling and  
 11 identification of all specimens to be tested.

Section 6. 1. The employer shall pay the costs of all drug  
 12 tests required, or requested, of a school bus operator or job  
 13 applicant. The school bus operator or job applicant shall pay the  
 14 costs of any additional drug tests requested by the school bus  
 15 operator or job applicant.

2 Any local board of education which undertakes a drug  
 3 testing program or which pays an employer's drug testing costs  
 4 shall pay for such program out of local revenues and shall not  
 5 be reimbursed by the state.

Section 7. Only approved laboratories shall conduct  
 6 confirmation drug tests. All confirmation tests shall use an  
 7 alternate method of equal or greater sensitivity than that used  
 8 on the initial drug test. If an initial drug test is negative, there  
 9 shall be no confirmation drug test.

Section 8. 1. A school bus operator or job applicant whose  
 10 drug test result is confirmed as positive in accordance with the  
 11 provisions of sections 1 to 15 of this act shall not, by virtue of  
 12 the result alone, be defined as a person with a "handicap."

2. An employer who discharges or disciplines a school bus  
 3 operator on the basis of a positive confirmed drug test in

4 accordance with sections 1 to 15 of this act shall be considered  
 5 to have discharged or disciplined the employee for good cause.

6 3. A physician-patient relationship is not created between  
 7 a school bus operator or job applicant, and an employer or any  
 8 person performing or evaluating the drug test, solely by the  
 9 establishment or implementation of a drug testing program.

10 4. Sections 1 to 15 of this act shall not prevent an employer  
 11 from establishing reasonable work rules related to employee  
 12 possession, use, sale or solicitation of drugs, including  
 13 convictions for drug-related offenses; and from taking action  
 14 based upon a violation of any of those rules.

15 5. Sections 1 to 15 of this act shall not be retroactive and  
 16 shall not abrogate any right of an employer under state law to  
 17 conduct drug tests prior to the effective implementation date  
 18 sections 1 to 15 of this act. A drug test conducted by an employer  
 19 before the effective date is not subject to sections 1 to 15 of this  
 20 act.

21 6. An employer may temporarily suspend a school bus  
 22 operator or may transfer a school bus operator to another  
 23 position which does not involve operation of a school bus after  
 24 obtaining the results of a positive on-site initial test or positive  
 25 confirmed test.

Section 9. 1. All information, interviews, reports,  
 2 statements, memoranda and test results, written or otherwise  
 3 received by the employer through its drug testing program are  
 4 confidential communications and may not be used or received  
 5 in evidence, obtained in discovery, or disclosed in any public or  
 6 private proceedings, except in accordance with sections 1 to 15  
 7 of this act.

8 2. Any information obtained by an employer pursuant to  
 9 sections 1 to 15 of this act shall be the property of the employer.

10 3. An employer shall not release to any person other than  
 11 the school bus operator or job applicant, except as provided by  
 12 section 14 of this act, information related to drug test results  
 13 unless:

14 (1) The school bus operator or job applicant has expressly,  
15 in writing, subsequent to the testing and with knowledge of its  
16 results, granted permission for the employer to release such  
17 information; or

18 (2) It is necessary to introduce a positive confirmed test  
19 result into an arbitration proceeding pursuant to a collective  
20 bargaining agreement, an administrative hearing under  
21 applicable state law, or a judicial proceeding, provided that  
22 information is relevant to the hearing or proceeding to cancel  
23 the school bus operator's permit, or the information must be  
24 disclosed to a federal agency or other unit of United States  
25 government as required under law, regulation or order, or in  
26 accordance with compliance requirements of a federal  
27 government contract.

Section 10. No laboratory may be approved by the  
28 department of health for confirmation drug tests unless the  
29 laboratory follows proper quality control procedures, including,  
30 but not limited to

31 (1) The use of internal quality controls including the use of  
32 samples of known concentrations which are used to check the  
33 performance and calibration of testing equipment, and periodic  
34 use of blind samples for overall accuracy;

35 (2) An internal review and certification process for test  
36 results, conducted by a person qualified to perform that function  
37 in the testing laboratory;

38 (3) Security measures implemented by the testing  
39 laboratory to preclude adulteration of specimens and test  
40 results; and

41 (4) Other necessary and proper actions are taken to ensure  
42 reliable and accurate test results.

Section 11. 1. A laboratory shall disclose to the employer  
43 a written test result report within five working days after the  
44 test.

45 2. All laboratory reports of a test result shall, at a  
46 minimum, state:

6 (1) The name and address of the laboratory that performed  
7 the test and the positive identification of the person tested;

8 (2) Any positive confirmed drug test results on a specimen  
9 which tested positive on an initial test, or a negative drug test  
10 result on a specimen. Reports should not refer to initial or  
11 confirmatory tests when reporting positive or negative results;

12 (3) A list of the drugs tested for;

13 (4) The type of tests conducted for both initial and  
14 confirmation tests and the cutoff levels of the tests;

15 (5) The report shall not disclose the presence or absence of  
16 any physical or mental condition or of any drug other than the  
17 specific drug and its metabolites that an employer requests to  
18 be identified.

Section 12. The department of health shall adopt rules  
19 concerning:

20 (1) Standards for approval of drug testing laboratories;

21 (2) Methods of analysis and procedures to ensure reliable  
22 drug testing results, including standards for initial tests and  
23 confirmatory tests;

24 (3) Guidelines on how to establish cutoff detection levels for  
25 drugs or their metabolites for the purposes of determining a  
26 positive test result;

27 (4) Chain-of-custody procedures to ensure proper  
28 identification, labeling and handling of specimens being tested;  
29 and

30 (5) Retention and storage procedures to ensure reliable  
31 results on confirmation tests and retests.

Section 13. 1. Any employer who exercises the provisions  
32 of sections 1 to 15 of this act shall be without liability from all  
33 civil actions arising from any drug testing programs or  
34 procedures performed in compliance with sections 1 to 15 of this  
35 act.

36 2. No cause of action for defamation of character, libel,  
37 slander or damage to reputation arises in favor of any person  
38 against an employer who has established a program of drug

9 testing in accordance with sections 1 to 15 of this act, unless:

10 (1) Information regarded as confidential is released not in  
11 accordance with an information release form signed by the  
12 person or otherwise not in accordance with sections 1 to 15 of  
13 this act; and

14 (2) The incorrect test result was disclosed with malice; and

15 (3) All other elements of an action for defamation of  
16 character, libel, slander or damage to reputation as established  
17 by statute or common law, are satisfied.

18 3. No cause of action shall arise in favor of any person based  
19 upon the failure of an employer to establish a program or policy  
20 for drug testing.

Section 14. 1 Any local board of education and the state  
2 board of education shall report to the director of revenue any  
3 confirmed positive drug test result for any school bus operator  
4 employed by the board or for any job applicant.

5 2. Any corporation, partnership, proprietorship or  
6 association which provides transportation for pupils pursuant to  
7 contract or agreement with any local board of education or the  
8 state board of education shall report to the director of revenue  
9 and to the board with whom it has a contract or agreement any  
0 confirmed positive drug test result for any school bus operator  
1 whom it employs if that school bus operator transports pupils  
2 for that board. Any such corporation, partnership,  
3 proprietorship, or association shall report to the director of  
4 revenue the confirmed positive drug test result of any job  
5 applicant.

Section 15. 1. The director of the department of revenue  
2 shall immediately cancel the school bus operator's permit held  
3 by any person upon receipt of notice that such person has had  
4 a confirmed positive drug test according to the provisions of  
5 sections 1 to 15 of this act. The cancellation shall be in effect  
6 for a one-year period, after which the operator may re-apply for  
7 a permit if he or she has successfully completed a drug  
8 rehabilitation program approved by the director of revenue. A

9 second cancellation for a confirmed positive drug test shall be  
10 permanent.

11 2. Whenever the director of revenue becomes aware that a  
12 holder of a school bus operator's permit is not eligible for  
13 issuance or renewal of such permit pursuant to section 302.272,  
14 RSMo, the director shall immediately cancel such permit.

15 3. The director of revenue shall notify by registered mail  
16 any such school bus operator of such cancellation.

17 4. Upon notice of such cancellation, if any such school bus  
18 operator shall neglect or refuse to surrender his school bus  
19 operator's permit, the director shall direct the state highway  
20 patrol or any police officer to secure possession thereof and  
21 return it to the director.

22 5. In the event that the permit of any school bus operator  
23 is canceled pursuant to this section, the school bus operator may  
24 appeal to the circuit court of the county of his residence as  
25 provided in section 302.311, RSMo.

26 6. Any person who wishes to re-apply for a permit under  
27 subsection 1 shall pay the director a reinstatement fee of twenty  
28 dollars in addition to all other fees provided by law.

**Subtitle 17 MOTOR VEHICLE  
ADMINISTRATION — DRIVER LICENSING AND  
IDENTIFICATION DOCUMENTS**

**11.17.13 Point System: Definition of Moving  
Violation and Assessment of Points**

Authority: Transportation Article, §16-402,  
Annotated Code of Maryland

**Notice of Proposed Action**  
(92-019 P)

The Administrator of the Motor Vehicle Administration proposes to amend Regulation .02 under COMAR 11.17.13 Point System: Definition of Moving Violation and Assessment of Points.

**Statement of Purpose**

When COMAR 11.17.13 was originally promulgated, the violation "failing to yield to an emergency vehicle" was a one point violation. Chapter 431 of the Acts of 1991 changed this to a two-point offense, "passing an emergency or police vehicle", so the original offense is being deleted from these regulations. In addition, Chapter 179 of the Acts of 1991 establishes a new offense "exceeding speed limit within highway work zone", and exceeding this limit by 1 - 2 miles per hour automatically becomes a 1-point violation under Transportation Article, §16-402(a)(1), Annotated Code of Maryland. Speeds in excess of 9 miles per hour over the limit are also assigned points under Transportation Article, §16-402, Annotated Code of Maryland.

**Estimate of Economic Impact**

The proposed action has no economic impact.

**Opportunity for Public Comment**

Written comments may be sent to Victoria D. Whitlock, Director, Division of Driver Control and Records, 6801 Ritchie Highway, N.E., Glen Burnie, Maryland, 21062 or by telephoning (410) 769-7691, Monday through Friday, 8:30 a.m. to 4:30 p.m. These comments must be received by February 11, 1992. No public hearing has been scheduled.

**.02 Assessment of Points.**

A. (text unchanged)

B. Section Moving Violation

(1) - (25) (text unchanged)

[(26) 21-405 Failure to yield right-of-way to emergency vehicle]

[(27) (26) - [(46) (45) (text unchanged)

(46) 21-802.1 Exceeding maximum speed limit by 1 - 2 miles per hour in a highway work zone

(47) - (73) (text unchanged)

C. (text unchanged)

**W. MARSHALL RICKERT**  
Administrator  
Motor Vehicle Administration

**Title 13A  
STATE BOARD OF EDUCATION**

**Subtitle 06 SUPPORTING PROGRAMS  
13A.06.07 Student Transportation**

Authority: Education Article, §§2-203(a), 5-201, 5-203, 5-411 - 5-412,  
Annotated Code of Maryland

**Notice of Proposed Action**  
(92-012 P)

The State Board of Education proposes to repeal current Regulations .01 - .12 and to adopt new Regulations .01 - .17 under COMAR 13A.06.07 Student Transportation.

**Statement of Purpose**

These new regulations govern the safe transportation of students by the local school systems. Many of the current regulations have been in effect since 1981. Language throughout the chapter has been changed to reflect the current terminology in use in specific areas ("handicapped student" replaced with "student with disabilities," "Level V" replaced with "Intensity V," etc.). Regulations that were considered redundant to other State or Federal regulations have been repealed.

The proposed new regulations include drug testing requirements for school vehicle drivers. The tests include mandatory pre-service, random, and probable cause testing, and post-accident testing at the discretion of the local supervisor.

The psychophysical tests for school bus drivers have been replaced by performance tests for both drivers and attendants. Most of the equipment used to perform and score the psychophysical tests is old and no longer available from the manufacturers; the one piece that is still available has been modified so that the former method of scoring the tests is no longer valid (the new scoring requires scaling for age and sex of the individual taking the test). The performance tests are more objective, clearly demonstrating that the driver and attendant either can or cannot perform the tasks required by the job.

In the instructional area, the proposed new regulations require that each school bus driver and attendant be certified each year in cardio-pulmonary resuscitation (CPR).

**Estimate of Economic Impact**

**I. Summary of Economic Impact** These proposed new regulations are expected to result in increased expenditures by the local school systems ranging from negligible to moderate. A slight to moderate benefit to medical laboratories is expected to result from the drug testing requirement. Although difficult to quantify, a moderate to significant benefit should accrue to the public through increased confidence in the drug-free status of the school bus drivers and attendants who have responsibility for the daily transportation of the public school students.

II. Types of Economic Impacts.	Revenue (+) Expense (-)	Magnitude
A. On issuing agency	NONE	
B. On other State or local agencies		
Local school systems:		
1 Driver skills tests	(-)	Slight
2 CPR for school bus drivers and attendants	(-)	\$1,059,336
3 Drug testing for school bus drivers	(-)	\$167,125

	Benefit (+) Cost (-)	Magnitude
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C. On regulated industries or trade groups		
1. Drug testing laboratories	(-)	Moderate
2. American Red Cross	(-)	\$36,000
D. On other industries or trade groups		
E. Direct and indirect effects on public	(-)	Moderate

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

B.1. The driver skill tests are expected to impact negligibly on the local school systems. The equipment needed to perform these tests will likely cost less than \$30 per local school system, and no more time will be required to perform these tests than is currently used to perform the psychophysical tests.

B.2. Certification in CPR for school bus drivers and attendants will require a considerable expenditure for the local school systems. The figure shown includes the training of one or more school bus driver instructors to become certified CPR instructors, training time and costs for all regular and substitute school bus drivers, and training time and costs for all regular and substitute school bus attendants. The cost to certify school bus driver instructors to become CPR instructors is a one-time cost, as long as they continue teaching the course, they retain the certification. For school bus drivers and attendants, however, the certification is only good for one year, thus, it must be given to every individual every year.

Costs were calculated as follows: For a school bus driver instructor to become a certified CPR instructor, 26 hours of instruction is necessary. An average of \$15 per hour was used times 26 hours; the number of school bus driver instructors to be certified was determined by using one instructor for each 50 classes (number of classes determined by dividing the total number of regular and substitute drivers and regular and substitute attendants by 10, the maximum allowed per class). The cost to certify instructors was \$12,480.

CPR instruction for school bus drivers and attendants requires an 8-hour course every year. Costs for this instruction were calculated by assuming an average hourly salary of \$12 for drivers and \$10 for attendants. This provided a cost of \$702,320 for driver instruction and \$133,200 for attendant instruction.

Also included in the cost is \$36,000 for purchase of "Resusc-Annie" mannequins necessary to CPR instruction. The American Red Cross recommends 1 mannequin for every 3 students in a class; therefore, 3 mannequins have been assumed for each local school system based on a maximum class size of 10.

B.3. The expense shown for drug testing for school bus drivers includes only the actual amount necessary to perform the presence and random tests. It does not include the cost for probable cause tests, since it would be impossible to quantify these, nor does it include the cost for post-accident testing, since this type of test is left to the supervisor's discretion. It also does not include the administrative costs involved in establishing a drug testing program in the school systems. The calculations were derived by calculating the total number of regular and substitute drivers, dividing it in half (since the regulation requires that 50 percent be tested every year), and adding 10 percent to allow for turnover. This figure was then multiplied by \$35, the anticipated cost per test.

C.1. The laboratories certified to perform drug tests will benefit from the regulation.

C.2. The American Red Cross is the sole source for the "Resusc-Annie" mannequin used for CPR training and would be the beneficiary of this amount of money for purchasing the mannequins.

E. With an additional 7,000 people trained in CPR as a result of these regulations, there could be a nonquantifiable benefit to the public in the event of an emergency requiring the presence of someone so trained. There should be improved public confidence in the school bus drivers and school bus attendants as a result of the drug testing regulation.

Opportunity for Public Comment

Pursuant to State Government Article, §10-506(c), Annotated Code of Maryland, the State Board of Education will hold a hearing concerning the repeal and new regulations on January 28, 1992 at 1:30 p.m. in the Maryland State Education Building, 200 West Baltimore Street, Baltimore, Maryland. All interested persons are invited to attend and give their views.

Written comments may be sent to Nancy S. Grasmick, State Superintendent of Schools, Maryland State Education Building, 200 West Baltimore Street, Baltimore, Maryland 21201. These comments must be received not later than February 11, 1992.

Open Meeting

Action on the repeal and new regulations proposed below will be considered by the State Board of Education during a public meeting to be held February 26, 1992, in the Maryland State Education Building, 200 West Baltimore Street, Baltimore, Maryland, pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

91. Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Accident" means an occurrence or action involving a driver of a school vehicle operated by or under contract to a local school system which results in an injury or fatality to an individual or damage to a motor vehicle or property. Buses not registered as school buses or school charter vehicles are excluded from this definition.

(2) "Appreciable damage" means property damage in excess of \$500.

(3) "Incapacitating injury" means an injury, other than fatal, that prevents the injured individual from walking, driving, or normally continuing the activities that the individual was capable of performing prior to the accident.

(4) "Loading zone" means an area on or adjacent to a highway, but not on the roadway, where a school vehicle stops to load or unload passengers.

(5) "Personal injury" means an injury treated by a physician, dentist, or nurse, or in a hospital.

(6) "Preventable accident" means an accident in which the driver failed to do everything the driver reasonably could have done to prevent it according to accepted standards of the National Safety Council.

(7) "School charter vehicle" means a vehicle as described in Transportation Article, §13-420(c), Annotated Code of Maryland.

(8) "School vehicle" means a vehicle as defined in Transportation Article, §11-154, Annotated Code of Maryland.

(9) "Type I vehicle" means a vehicle as described in Transportation Article, §11-173, Annotated Code of Maryland.

92. Program.

Each local school system is responsible for the safe operation of its student transportation system and shall conform to the regulations promulgated by the State Board of Education and the procedures and guidelines established by the State Department of Education. Local school systems may adopt policies and procedures which do not conflict with existing federal and State rules, regulations, policies, and procedures. Local policies and procedures may exceed the minimum requirements established in these regulations.

(a) At least 1 hour shall be instruction in first aid,  
 (b) 8 hours shall be for certification in CPR, and  
 (c) 1 hour shall be instruction appropriate to the duties of the school vehicle attendant.

(2) In-service. A school vehicle attendant shall complete 10 hours of in-service instruction annually, as follows:

(a) 8 hours shall be for certification in CPR; and  
 (b) 2 hours shall be in topics appropriate to the duties of the school vehicle attendant.

(3) At least 1 hour of instruction in first aid shall be provided every 3 years.

D. **Instructional Records.** Each local school system shall maintain attendance records of all pre-service and in-service instructional sessions. The attendance school records shall contain all of the following information:

(1) Name of trainee, driver, or attendant;  
 (2) Name of instructor;  
 (3) Dates of instruction;  
 (4) Number of hours of classroom instruction and topics of instruction; and  
 (5) Number of hours of behind-the-wheel instruction.

#### .08 Drug Testing Program.

A. Each local school system shall implement a drug testing program for school vehicle drivers by July 1, 1993. The drug testing procedures shall meet or exceed the standards established by the U.S. Department of Transportation in 48 CFR Part 40, which is incorporated by reference. A local school system may also adopt the guidelines for testing conditions established by the U.S. Department of Transportation in 49 CFR §§391.81-391.115, so long as they also meet the requirements of this regulation.

B. **Conditions for Testing for Illegal Use of Drugs.**

(1) A school bus driver trainee shall pass a drug test before being permitted to transport any student in a school vehicle.

(2) Random drug tests shall be administered to school vehicle drivers as follows:

(a) The number of tests administered annually shall equal at least 50 percent of the total number of driver names provided by the local school system to the Motor Vehicle Administration on its October roster;

(b) During each of the testing time periods in §B(2)(c), the pool of names from which the selection is made shall include the names of all drivers, including those previously tested; and

(c) Approximately 20 percent of the tests are to be administered in each of the following periods:

- (i) July - October,
- (ii) November - December,
- (iii) January - February,
- (iv) March - April, and
- (v) May - June.

(3) A drug test is to be administered as soon as practicable when a supervisor of transportation has reasonable cause to believe that a school vehicle driver is using an illegal drug.

(4) A drug test may be administered following any school vehicle accident.

C. A school vehicle driver may not be given more than 24 hours notification of the drug test. A driver who fails to take a drug test within 24 hours of notification is permanently disqualified from operating a school vehicle unless the supervisor of transportation determines and documents in writing that the driver had good and sufficient reason not to take the test within 24 hours. In this case, the driver may not operate a school vehicle until the driver has passed a drug test, which is to be administered at a time determined by the supervisor of transportation.

D. A school vehicle driver or trainee who tests positive for illegal drugs is permanently disqualified from operating a school vehicle.

#### .09 General Standards.

A. A school vehicle or school charter vehicle may not be used to transport students unless a Vehicle Acceptance Sheet as required by the State Department of Education has been completed by the supervisor of transportation and is on file in the local transportation office.

B. Type 1 vehicles shall be used to transport students to and from school. Vehicles other than Type 1 shall be used only when special approval in writing has been given by the Chief of Pupil Transportation, State Department of Education, unless:

- (1) The vehicle is a taxicab; or
- (2) Only one student is transported.

C. Vehicles used to transport students on regular routes shall be:

- (1) New; or
- (2) Previously registered school vehicles originally used to transport Maryland public school students.

D. **Spare Vehicles.**

(1) Spare vehicles shall be available during the time route vehicles are in operation.

(2) Spare vehicles shall be either:

- (a) New;
- (b) Previously registered regular route vehicles; or
- (c) Vehicles purchased new after July 6, 1983, and verified in writing by the Motor Vehicle Administration as originally used in Maryland to transport private or parochial school students.

E. An electric-powered wheelchair may be transported in a school vehicle if it meets all of the following conditions:

- (1) The battery is not of the liquid-acid type;
- (2) The battery is encased in an impact-resistant container;
- (3) The battery container is securely fastened to the wheelchair;
- (4) The battery container lid is securely fastened to the battery container; and
- (5) All electrical terminals not inside the battery container are protected from accidental contact.

F. At least twice during each school year, each student who is transported in a school vehicle shall participate in emergency school vehicle evacuation drills.

#### .10 Vehicle Inspections.

A. Three safety inspections and a preventive maintenance inspection shall be conducted on each public school vehicle annually in accordance with Motor Vehicle Administration regulations and inspection standards.

B. The supervisor of transportation or the Chief of Pupil Transportation, State Department of Education, may require additional inspections of individual vehicles at any time.

C. A preoperational check of each vehicle shall be performed at a designated time each day the vehicle is operated.

D. A vehicle that is found at any time to be mechanically unsafe shall be immediately discontinued from use until made safe and authorized to be placed in service again by the supervisor of transportation.

#### .11 Routing and Scheduling.

A. The prime consideration is the safety of riders.

B. Stops shall be approximately 1/4 mile apart. This does not apply to routes exclusively designated for students with disabilities.

WEST'S  
LOUISIANA STATUTES  
ANNOTATED

REVISÉD STATUTES

*Official Classification*

Sections 49:1 to 51:470

Volume 27A

1991

**Cumulative Annual Pocket Part**

Replacing 1990 pocket part in back of volume

**Includes laws through the 1990  
Regular Session**

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B. No cause of action for defamation of character, libel, slander, or damage to reputation or privacy arises in favor of any person against an employer or testing entity who has established a program of drug or alcohol testing in accordance with this Chapter, unless:

(1) The results of that test were disclosed to any person other than the employer or testing entity, an authorized employee or agent of the employer or testing entity, the tested employee, or the tested prospective employee;

(2) The information disclosed was based on a false test result or a failure to comply with the provisions of this Chapter;

(3) All elements of an action for defamation of character, libel, slander, or damage to reputation or privacy as established by statute or civil law, are satisfied.

C. Any provision of this Chapter held to be prohibited by the laws of the state of Louisiana shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Chapter.

Added by Acts 1990, No. 1036, § 1, eff. Jan. 1, 1991.

**Historical and Statutory Notes**

This section, enacted as R.S. 49:1122 by Acts 1990, No. 1036, § 1 effective January 1, 1991,

was redesignated as R.S. 49:1012; and in subsec. C, "Act" was twice changed to "Chapter", both on authority of R.S. 24:253.

**PART IV. PUBLIC EMPLOYEE DRUG TESTING**

**§ 1015. Public employee drug testing**

A. A public employer may require, as a condition of continued employment, samples from his employees to test for the presence of drugs following an accident during the course and scope of his employment, under other circumstances which result in reasonable suspicion that drugs are being used, or as a part of a monitoring program established by the employer to assure compliance with terms of a rehabilitation agreement.

B. A public employer may require samples from prospective employees, as a condition of hiring, to test for the presence of drugs.

C. A public employer may implement a program of random drug testing of those employees who occupy safety-sensitive or security-sensitive positions.

D. Any public employee drug testing shall occur pursuant to a written policy, duly promulgated, and shall comply with the provisions of this Chapter.

E. In the event the Louisiana State Racing Commission shall require or conduct drug testing on its employees, agents, and representatives, the Commission shall comply with the provisions of this Part and the Louisiana Administrative Procedure Act as well as seek prior approval of the procedures of the drug testing by the appropriate legislative oversight committee. The failure of the State Racing Commission to receive the required legislative approval shall negate all test results conducted under the non-approved procedures. Any drug testing program or procedure required or conducted by the State Racing Commission shall be applicable and include the members of the State Racing Commission.

Added by Acts 1990, No. 1036, § 1, eff. Jan. 1, 1991.

**Historical and Statutory Notes**

This section, enacted as R.S. 49:1125 by Acts 1990, No. 1036, § 1, effective January 1, 1991,

was redesignated as R.S. 49:1015 on authority of R.S. 24:253.

**CHAPTER 16. NAMING STATE STATUTORY ENTITIES, AGENCIES, DEPARTMENTS, OFFICES AND BUDGET UNITS**

**§ 1101. Naming state statutory entities, agencies, departments, offices, or budget units**

A. Except as designated by the Constitution of Louisiana or as provided in R.S. 49:215(E) or Subsection B of this Section, no statutory entity, as defined in R.S. 49:190, or

SMITH-HURD  
ILLINOIS ANNOTATED  
STATUTES

Chapters 111<sup>2</sup>/<sub>3</sub> to 119

Chapter 111<sup>2</sup>/<sub>3</sub>  
Public Utilities  
¶ 601 to End  
to  
Records

1991  
Cumulative Annual Pocket Part

*For Use In 1991-1992*

Replacing 1990 Pocket Part in back of volume

Under same classification as  
ILLINOIS REVISED STATUTES  
STATE BAR ASSOCIATION EDITION

Includes laws through P.A. 86-1490,  
approved Jan. 14, 1991

ST. PAUL, MINN.  
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111<sup>2</sup>/<sub>3</sub> ¶ 699.15

PUBLIC UTILITIES

deficits as the Department determines to have been incurred in conformity with this Section.

P.A. 78-1109, Art. IV, § 4-4, added by P.A. 86-16, Art. III, § 1, eff. June 30, 1989.  
149 U.S.C.A. § 1607a.

699.16. Termination of grant program

§ 4-5. The grant program established under this Article shall be terminated when UMTA Section 9<sup>1</sup> funds cease to be available to the State from the federal government.

P.A. 78-1109, Art. IV, § 4-5, added by P.A. 86-16, Art. III, § 1, eff. June 30, 1989.  
149 U.S.C.A. § 1607a.

REGIONAL TRANSPORTATION AUTHORITY ACT

ARTICLE II. POWERS

★ 702.24. Comprehensive drug testing program

§ 2.24. Beginning January 1, 1990, the Regional Transportation Authority, and all of the Service Boards subject to the Authority, including the Chicago Transportation Authority, shall be responsible for the establishment, maintenance, administration and enforcement of a comprehensive drug testing program which is in absolute conformity with Federal statutes and regulations currently in effect.

P.A. 78-5, 3rd Sp.Sess., Part I, Art. II, § 2.24, added by P.A. 86-906, § 2, eff. Sept. 11, 1989.

ARTICLE III. ORGANIZATION

703.03. Terms, vacancies

§ 3.03. Terms, vacancies. Each Director, including the Chairman, shall be appointed for an initial term as provided for in Section 3.10 of this Act.<sup>1</sup> Thereafter, each Director shall hold office for a term of 5 years, and until his successor has been appointed and has qualified. A vacancy shall occur upon resignation, death, conviction of a felony, or removal from office of a Director. Any Director may be removed from office upon concurrence of not less than 9 Directors, on a formal finding of incompetence, neglect of duty, or malfeasance in office. Within 30 days after the office of any member becomes vacant for any reason, the appointing authorities of such member shall make an appointment to fill the vacancy. A vacancy shall be filled for the unexpired term.

After October 1, 1984, whenever a vacancy for a Director, except as to those Directors appointed by the Governor or the Mayor of the City of Chicago, exists for longer than 4 months, the new Director shall be chosen by election by all legislative members in the General Assembly representing the affected area. In order to qualify as a voting legislative member in this matter, the affected area must be more than 50% of the geographic area of the legislative district.

Amended by P.A. 86-1475, Art. 3, § 3-58, eff. Jan. 10, 1991.

<sup>1</sup> Paragraph 703.10 of this chapter.

Historical and Statutory Notes

P.A. 86-1475, Art. 3, of the Second 1990 Revisory Act, amends various Acts to delete obsolete text, to correct patent and technical errors, and to revise cross-references. For provisions of Art. 1,

§ 1-2, relating to intent and Art. 6, § 6-1, relating to effective dates and acceleration of Acts with later effective dates or extension or revival of repealed Acts, see Historical and Statutory Notes following ch. 17, § 302.

PUBLIC UTILITIES

703.05. Meetings

Notes of Decisions

1. Contracts  
South Suburban Safeway Lines, 1  
Transp. Authority, App. 1 Dist.197

704.01. Budget and program

§ 4.01. Budget and Program Authority. It shall be the purpose and provide for each year the Authority shall prepare a program document describing forthcoming fiscal year expenditures as the Authority intends to finance them. The amount of the funds estimated to be re-estimated to be on hand at first Five-Year Program, program and budget shall be amended program deviates giving the reasons for such on January 1st and end on that began October 1, 1982 1st of each year thereafter submit to the Authority : collected from the taxes in the Public Transportation : tion and Use Tax Replace: 1983, the Board shall report General Assembly and the January 1, 1984, and there General Assembly and the Before the proposed budget least one public hearing the least one meeting for county board of each of conducting such hearings : in the proposed program shall adopt its annual budget the affirmative votes of : such sums of money as an obligations of the Authority which appropriations are program. Additional approval such ordinance may be made votes of 9 of its then Director

(b) The budget shall : sources and anticipated discharge of encumbrance interest when due, and promptness all obligations

The annual budget and charges for mass transportation contracts of, the Service fare revenues from such least 50% of the aggregate fiscal year. "Fare revenue

ARIZONA  
REVISED STATUTES

ANNOTATED

1991

Cumulative Pocket Part

*For Use In 1991-1992*

Replacing 1990 Pocket Part in back of volume

Volume 9A

Title 28

NOV 20 1991  
LEGISLATIVE AFFAIRS §§ 28-101 to 28-1300  
Reference Library

Including Legislation Enacted In The First Regular  
And The First and Second Special Sessions Of  
The Fortieth Legislature (1991)

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§ 28-413. What persons shall not be licensed

A. The department shall not issue a license:

1. To a person, for a class D or M license, who is under the age of sixteen years, except that the department may issue a restricted class D license as provided by this chapter to a person who is at least fifteen years of age.
2. To a person, for a class A, B or C license, who is under the age of twenty-one years, except that the department may issue a class A, B or C license which is restricted to intrastate driving only to a person who is at least eighteen years of age.
3. To a person whose license has been suspended, during such suspension, nor to a person whose license has been revoked, except as provided in § 28-44B.
4. To a person, for a class A, B or C license, who has been disqualified from obtaining a commercial driver's license.
5. To a person who is an habitual drunkard or is addicted to the use of narcotic drugs.
6. To a person who has previously been adjudged to be incapacitated pursuant to § 14-5304 and who has not at the time of application obtained a termination of incapacity by the methods provided by law.
7. To a person who is required by the provisions of this chapter to take an examination, unless the person has successfully passed the examination.
8. To a person who is required under the provisions of the motor vehicle financial responsibility laws of this state to deposit proof of financial responsibility and who has not deposited such proof.
9. To a person when the department has good cause to believe that the operation of a motor vehicle on the highways by the person would be inimical to public safety or welfare.

B. The department shall not issue to or renew a driver's license for any person when the department has been notified by a court that the licensee has violated his written promise to appear in court when charged with a violation of the motor vehicle code until the department has received notification in a manner approved by the motor vehicle division that the person has appeared either voluntarily or involuntarily, or the case has been adjudicated, is being appealed or has otherwise been disposed of as provided by law. If notified pursuant to § 28-1080, the department shall not issue a driver's license to or renew the license of any person who has failed to pay a civil sanction as provided in § 28-1080, except a parking violation, until the department receives notification in a manner approved by the motor vehicle division that the person has paid the sanction or the case is being appealed or has otherwise been disposed of as provided by law. The magistrate or the clerk of the court shall provide such notification to the department in all cases affected by this subsection.

Amended by Laws 1989, Ch. 220, § 21, eff. Jan. 1, 1990.

Historical and Statutory Notes

The 1989 amendment, in subsec. A, rewrote par. 1, inserted new pars. 2 and 4 and renumbered other paragraphs accordingly.

Laws 1989, Ch. 220, § 64 provides:

"This act is effective from and after December 31, 1989."

The 1989 amendment of this section by Ch. 220 explicitly amended the 1987 amendment of this section by Ch. 148.

1989 Reviser's Note:

In subsection A, paragraph 4 a comma following "C" was transposed to follow "license" pursuant to authority of § 41-1002.

§ 28-414.01. School bus drivers; requirements

A. A person shall not operate a school bus transporting school children unless he possesses the appropriate license class for the size of school bus being operated, a bus endorsement and a school bus certificate issued by the department.

B. In order to be certified as a school bus driver a person shall do all of the following:

1. Meet and maintain the minimum standards prescribed by this section and rules adopted by the department.

2. Complete an initial instructional course on school bus driver safety and training including behind the wheel training.

C. The department shall, by rule, establish minimum standards for the certification of school bus drivers and provide, in cooperation with local school districts or the department of education, for school bus driver safety and training courses. The standards established shall include requirements concerning moral character, knowledge of school bus operation, pupil and motor vehicle safety, physical impairments which might affect the applicant's ability to safely operate a school bus or which might endanger the health or safety of school bus passengers, knowledge of first aid, establishment of school bus safety and training courses and a refresher course to be completed on at least a biennial basis, and such other matters as the department may prescribe for the protection of the public. The standards shall provide that tests shall be performed to detect the presence of alcohol or the use of a drug in violation of title 13, chapter 34<sup>1</sup> that may adversely affect the ability of the applicant to safely operate a school bus and that hearing tests may be performed with or without the use of a hearing aid and that the hearing tests be performed as provided in title 49, code of federal regulations, part 391.41.

D. In carrying out the provisions of this section the department shall require applicants to furnish fingerprints, and the department shall obtain criminal history record information pursuant to § 41-1750. The applicant for certification for the purposes of this subsection shall pay a fee which is payable to the department of public safety to reimburse the department of public safety for the cost of obtaining the applicant's criminal history record information required by this section. The fee which is payable to the department of public safety shall not exceed the actual cost of obtaining the applicant's criminal history record information.

E. The department shall issue a school bus driver certificate to an applicant who fully meets the requirements of this section which is valid if the applicant maintains the minimum standards established by this section. The department may cancel the certificate if the person's license to drive is suspended, cancelled, revoked or disqualified. The department shall cancel the certificate if the person fails to maintain minimum standards established pursuant to subsection C of this section. A person whose application for a certificate is refused or whose certificate is cancelled for failure to meet or maintain minimum standards may request and receive a hearing.

Amended by Laws 1989, Ch. 220, § 22, eff. Jan. 1, 1990; Laws 1990, Ch. 324, § 2.

<sup>1</sup> Section 13-3401 et seq.

#### Historical and Statutory Notes

The 1989 amendment, effective January 1, 1990, rewrote subsecs. A and E (redesignated from "F"); and deleted former subsec. E.

Laws 1989, Ch. 220, § 64 provides:

"This act is effective from and after December 31, 1989."

The 1989 amendment of this section by Ch. 220 explicitly amended the 1987 amendment of this section by Ch. 148.

The 1990 amendment inserted provisions relating to alcohol or drug tests in the last sentence of subsec. C.

#### § 28-415. Instruction permits and temporary licenses

A. Any person who is at least fifteen years and seven months of age may apply to the department for an instruction permit for a class D license. The department may in its discretion, after the applicant has successfully passed all parts of the examination other than the driving test, issue to the applicant an instruction permit which shall entitle the applicant, while having the permit in his immediate possession, to drive a motor vehicle requiring a class D license upon the public highways for a period of twelve months when accompanied by a person who possesses the same class or higher class of license and who is occupying a seat beside the driver, except in the event the permittee is operating a motorcycle.

B. The department upon receiving proper application may in its discretion issue a restricted instruction permit for a class D license effective for a school year or more restricted period to an applicant who is enrolled in a driver training program approved by the department and is at least fifteen years of age. After the applicant has successfully



# House Transportation Committee

DATE: 3/10/92

PLACE: Room 17

SUBJECT OF MEETING:  
 HB 474  
 SB 146

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
						Y	N	
Pomayne Kareen	Dept. of Educ.	P.O. BOX F Juneau, Ak 99802			465-2890	Y	N	Available for HB 474 if questions
Juanita Hensley	DPS/pmv	P.O. Box 20020 99802			4335	Y	N	SB 146 questions
Steve Kucharski	SEN MENARD				4921	Y	N	SB 146
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	

H B

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FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CSHB 575 (TRA)

Revision Date: April 14, 1992  
Title: Increasing Motor Fuel Tax

Department Affected: Department of Revenue  
BRU: Revenue Operations  
Component: Income and Excise Audit

Sponsor: House Finance  
Requestor: HS TRANS

COMPONENT SERIAL NO. | 1 | 1 | 3 |

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	29.0	57.9	57.9	57.9	57.9	57.9
TRAVEL	2.5	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	3.0	6.0	6.0	6.0	6.0	6.0
SUPPLIES	0.5	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	4.0	0.0	0.0	0.0	0.0	0.0
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>39.0</b>	<b>69.9</b>	<b>69.9</b>	<b>69.9</b>	<b>69.9</b>	<b>69.9</b>
<b>CAPITAL</b>						
<b>REVENUE FUND SOURCE</b>	<b>4,313.0</b>	<b>8,626.0</b>	<b>8,626.0</b>	<b>8,626.0</b>	<b>8,626.0</b>	<b>8,626.0</b>

FUNDING: (Thousands of Dollars)

GENERAL FUND	39.0	69.9	69.9	69.9	69.9	69.9
FEDERAL FUNDS						
OTHER FUND SOURCE						
<b>TOTAL</b>	<b>39.0</b>	<b>69.9</b>	<b>69.9</b>	<b>69.9</b>	<b>69.9</b>	<b>69.9</b>

POSITIONS:

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

Estimate of current year impact: \$0.0

ANALYSIS:

SEE ATTACHED

Prepared By: Paul Dick *pd*  
Division: Income and Excise Audit

Phone: (907) 465-2320  
Date: April 14, 1992

Approved by Commissioner: Darrel J. Rexwinkel  
Agency: Department of Revenue

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

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

### Intent

CSHB 575 increases the highway motor fuel excise tax to 10 cents per gallon and exempts fuel used on-site at mining operations from the tax.

### Analysis

Effective January 1, 1993, this bill increases the highway motor fuel excise tax by 25% from 8 to 10 cents per gallon.

Total highway motor fuel tax revenues for FY 91 based on the 8 cents per gallon rate were \$36.7 million. Based on FY 91 data, each cent of motor fuel tax yielded approximately \$4.6 million. Assuming that consumption remains the same as FY 91, a 2 cent increase will result in \$9.2 million additional motor fuel tax revenues to the state.

This bill will also exempt fuel used on-site at a mining operation from the motor fuel tax. Currently, mining operations claim a 6 cent refund on all fuel used in their operations. The exemption in this bill will mean that the state will forego 4 cents per gallon (10 cents per gallon tax less the 6 cents per gallon refund provision) on those gallons which would have been subject to refund.

For the calendar year 1991, mining operations claimed refunds on approximately 14,350,000 gallons of fuel. Assuming that mining operations use fuel at the 1991 level, the state will forego \$574,000 per year (14,350,000 gallons x 4 cents/gallon) because of the exemption.

Total revenues for each year, netting the effects of the exemption against the 2 cent increase, follows:

	<u>FY93*</u>	<u>FY94 - FY98</u>
Tax Increase (2 cents)	\$4,600,000	\$9,200,000
Mining Exemption	<u>(287,000)</u>	<u>(574,000)</u>
Net Additional Revenue	<u>\$4,313,000</u>	<u>\$8,626,000</u>

\* Since this bill takes effect January 1, 1993, FY 93 revenues reflect amounts for half of a year.

### **Operating Costs**

Personal Services \$57.9

Provides for a Revenue Auditor III, Range 18A.

Travel 5.0

Provides funding for in-state travel audits.

Contractual 6.0

Provides funding for printing and communication costs.

Supplies 1.0

Provides funding for office and data processing supplies.

Equipment 4.0

Provides funding for a computer for FY 93.

TOTAL: \$73.9\*

\* FY 93 Funding level is for six months.

4/7/92

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP G. PHILLIPS

TO: HB 575

Page 1, after line 2:

Insert a new bill section to read:

"\* Section 1. INTENT. It is the intent of this legislation to put before the general public a ballot issue on the November 1992 general election ballot that requests approval of a dedicated gas tax to be set aside in the General Fund for the maintenance of our roads, airports, harbors, and ports."

Renumber the following bill sections accordingly.

AMENDMENT #2

OFFERED IN THE HOUSE

BY REPRESENTATIVE FOSTER

TO: HB 575

Page 1, line 4:

Delete "18"

Insert "10"

Page 1, line 12:

Delete "18"

Insert "10"

A M E N D M E N T #3

OFFERED IN THE HOUSE  
TO: HB 575

BY REPRESENTATIVE FOSTER

Page 1, line 1, after "tax":

Insert:

**", and increasing the refund of a portion of the tax payable for nonhighway use of fuel subject to the tax"**

Page 2, following line 4:

Insert a new bill section to read:

**\*\* Sec. 3. AS 43.40.030(a) is amended to read:**

(a) Except as specified in AS 43.40.010(j), a person who uses motor fuel to operate an internal combustion engine is entitled to a refund of 16 [SIX] cents a gallon if

- (1) the tax on the motor fuel has been paid;
- (2) the motor fuel is not aviation fuel, or motor fuel used in or on watercraft; and
- (3) the internal combustion engine is not used in or in conjunction with a motor vehicle licensed to be operated on public ways. "

Renumber the following bill section accordingly.

AMENDMENT #4

OFFERED IN THE HOUSE

BY REPRESENTATIVE FOSTER

TO: HB 575

Page 1, line 1, after "tax":

Insert:

", and adding to the exemptions from payment of the motor fuel tax the motor fuel used in certain mining operation activities"

Page 2, following line 4:

Insert a new bill section to read:

"\* Sec. 3. AS 43.40.100(2) is amended to read:

(2) "motor fuel"

(A) means fuel used in an engine for the propulsion of a motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a stationary engine, machine, or mechanical contrivance that [WHICH] is run by an internal combustion motor;

(B) ["MOTOR FUEL"] does not include fuel

(i) [(A) FUEL] consigned to foreign countries;

(ii) [(B) FUEL] sold for use in jet propulsion aircraft operating in flights to foreign countries;

(iii) [(C) FUEL] used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public;

(iv) [(D) FUEL] used by nonprofit power associations or corporations for generating electric energy for resale;

(v) [(E) FUEL] used by charitable institutions;

(vi) that [(F) FUEL WHICH] is at least 10 percent alcohol by volume;

(vii) [(G) FUEL] sold or transferred between qualified dealers;

(viii) [(H) FUEL] sold to federal, state, and local government agencies for official use;

(ix) [(I) FUEL] used in stationary power plants that generate electrical energy for private residential consumption;

(x) [(J) FUEL] used to heat private or commercial buildings or facilities;

(xi) [(K) FUEL] used for other nontaxable purposes as prescribed by regulations adopted by the department; [OR]

(xii) [(L) FUEL] used in stationary power plants of 100 kw or less that generate electrical power for commercial enterprises not for resale; or

(xiii) used on-site at a mining operation in the state; for purposes of this subparagraph, "mining operation" has the meaning given in AS 27.19.100;"

Renumber the following bill section accordingly.

AMENDMENT #5

OFFERED IN THE HOUSE

BY REPRESENTATIVE FOSTER

TO: HB 575

Page 2, following line 4:

Insert a new bill section to read:

"\* Sec. 3. This Act takes effect only if the majority of the voters at the November 1992 general election approves proposed amendments to the state constitution to create as a dedicated fund a transportation fund to receive, among other sources, the revenue from the state's levy and collection of motor fuel taxes."

Renumber the following bill section accordingly.

# ESTIMATED HIGHWAY RELATED REVENUE AND EXPENSE

HIGHWAY RELATED EXPENDITURES			
Estimates in \$'s Millions			
	DEPARTMENT		OPERATING EXPENDITURES
MOTOR VEHICLE AND DRIVER	Public Safety		\$ 8.5
HIGHWAY PATROL	Public Safety		\$ 16.0
TRUCK WEIGHTS AND ENFORCEMENT	Commerce		\$ 1.3
HWY MAINTENANCE	DOT&PF		\$ 62.0
UTILITY PERMITS	DOT&PF		\$ 0.3
MUNICIPAL ROAD (48%) MAINTENANCE SHARING	DCRA		\$ 6.9
SUBTOTAL- CURRENT			\$ 95.0
FUND ROAD SHARING (@\$2500)	DCRA		\$ 7.5
FUND INCREASED # OF ROAD MILES	DCRA		\$ 0.6
FUND ROAD SHARING (@\$3000)	DCRA		\$ 3.0
" FUNDING"			\$ 106.1
Allocated portion of DOT&PF Admin. and Design and Construction approximates \$11 million Annual Match required for highway construction approximately \$35 million per year ISTE A			

# ESTIMATED HIGHWAY RELATED REVENUE AND EXPENSE

HIGHWAY RELATED REVENUES			
Estimates in \$'s Millions			
	DEPARTMENT		REVENUE
HIGHWAY FUEL - CURRENT	Revenue		\$ 21.0
OFF HIGHWAY - CURRENT	Revenue		\$ 4.0
MOTOR VEHICLE AND DRIVER	Public Safety		\$ 25.0
TRUCK WEIGHT AND ENFORCEMENT FEES	Commerce		\$ 0.7
REIMBURSED HWY MAINTENANCE	DOT&PF		\$ 0.4
UTILITY PERMITS	DOT&PF		\$ 0.3
SUBTOTAL- CURRENT			\$ 51.4
HIGHWAY FUEL - ADD 10 CENTS	Revenue		\$ 26.0
OFF HIGHWAY - ADD 10 CENTS	Revenue		\$ 20.0
FULL YEAR REVENUE AFTER HB 575			\$ 97.4

465-3242  
Telcopy Message: FAX ~~465-3241~~  
to: House Transportation Committee Chairman Richard Foster  
from: Janice Laitaw - Mat. Su.  
reply may be sent to: P.O. Box 1621  
Palmer AK. 99645

Message:

Re: HB 575 and HB 574

Strongly opposed to both bills. Gasoline increases are not attached to dedicated funding!

Vehicle license increases as outlined will only cause excessive hardship to rural Alaskans, small business operators and individuals living on a fixed income.

These bills are digging a deeper poverty grave for Alaskans!



# Anchorage Cold Storage Company

A SUBSIDIARY OF THE ODOM CORPORATION

*Fine Foods and Beverages*

240 WEST FIRST AVENUE  
P.O. BOX 100039  
ANCHORAGE, ALASKA 99510  
(907) 272-4511

1296B SPUR HIGHWAY  
P.O. BOX 2109  
KENAI, ALASKA 99811  
(907) 283-4353

1061 ENTERPRISE ST  
WASILLA, ALASKA 99687  
(907) 376-8050

Frank Dillon  
Alaska Trucking Association, Inc.  
3443 Minnesota Drive  
Anchorage, AK 99503  
Fax 274-1946

Dear Mr. Dillon,

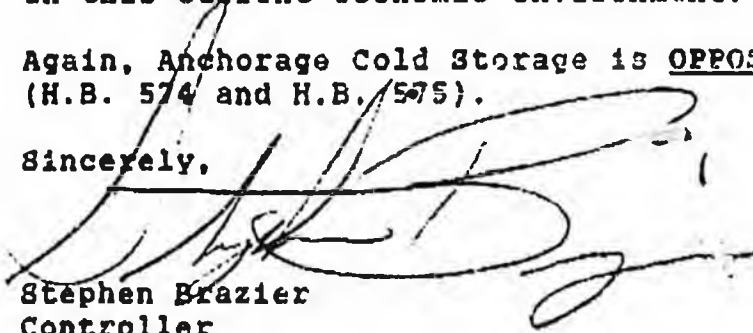
In response to your fax delivered on April 5, 1992, I offer the following information regarding the impact on Anchorage Cold Storage if H.B. 574 and H.B. 575 were to be passed into law. The amounts for the fuel tax are based on our calendar year-1991 purchases.

Approximate effect of H.B. 574 -	\$93,000
Approximate effect of H.B. 575 -	35,000
	-----
Total effect if passed	\$128,000
	-----

Anchorage Cold Storage is in extreme opposition to both bills! The approximate negative effect on our operations would be well over \$100,000 as indicated above. This would cause a severe blow to our operations which would lead to increased pricing passed on to our customers. This is not what we would like to see happen in this current economic environment.

Again, Anchorage Cold Storage is OPPOSED to both house bills (H.B. 574 and H.B. 575).

Sincerely,

  
Stephen Brazier  
Controller

cc: Representative Gail Phillips - Fax 465-3472  
Representative Eileen MacLean - Fax 465-3241  
Representative Mike Navarre - Fax 465-2278  
Representative Richard Foster - Fax 465-3242  
Representative Jerry Mackie - Fax 465-2299



**FAST  
SERVICE**

**BIG COUNTRY  
FOODS INC.**

PLANT: 6250 ROSSWOOD  
MAILING: P.O. BOX 4-1974  
ANCHORAGE, ALASKA 99508  
TELEPHONE: 557-4418

APRIL 6 1992

FROM: MIKE JOHNSON

I OPPOSE PASSAGE OF HB

574 AND 575.

Mike Johnson

TEL:

Apr 06 92

13:48 No.011 P.01



## Irish Trucking

P.O. Box 84469 • Fairbanks, Alaska 99708-4469  
(907) 456-3232 (907) 457-6835

APRIL 6, 1992

WE STRONGLY OPPOSE THE H.B. 575 .....FUEL TAX INCREASE

WE STRONGLY OPPOSE THE H.B. 574.....VEHICLE REGISTRATION INCREASE

NO.....NO.....NO...NO...NO...NO...NO...NO...NO...NO...NO...NO...NO...

ALASKA TRUCKING ASSOCIATION, INC.  
3443 Minnesota Drive  
Anchorage, AK 99503

Phone (907) 276-1149

Fax (907) 274-1946

FAX MESSAGE COVER SHEET

DATE: 4/6/92

TO: House Transportation Committee FAX NO. 465-3242

FROM: Frank J. Dillon, ATA Executive Director

Number of Pages: 1 Including this cover sheet.

Comments: H.B. 575 calls for a 10 cent a gallon increase in  
fuel tax. ATA requests that because of the importance of this  
proposed legislation, that the hearing scheduled for 8:30 a.m.  
Tuesday April 7th be teleconferenced.  
Thank you for your consideration.

# WEAVER BROS., INC.

1611 E FIRST ST.  
ANCHORAGE, ALASKA 99501  
PHONE: 907-278-4526 FAX: 907-276-4316

P.O. BOX 2229  
KENAI, ALASKA 99611  
PHONE: 907-283-7957 FAX: 907-283-3677

April 6, 1992

JAMES H. DOYLE  
PRESIDENT

House Transportation Committee

RE: HB 575 Proposed Fuel Increase Tax

DO NOT pass HB 575. The proposed additional 10¢ per gallon of fuel would have a great impact on our company.

Oppose this bill.

WEAVER BROS., INC.

James H. Doyle  
President

TELECOPY TRANSMITTAL COVER SHEETDATE: April 6 1992TIME: 9:30REF: HB 575/574PLEASE DELIVER TO: Richard FosterTHIS TELECOPY IS BEING SENT BY: BRIAN POTVINNUMBER OF PAGES (INCLUDING THIS COVER SHEET): 1

IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL BACK AS SOON AS POSSIBLE.

(907) 257-5160 TELECOPY "FASCIMILE" NUMBER  
(907) 276-4800 LYNDEN TRANSPORT INC.  
ANCHORAGE, AK 99501WE OPPOSE PASSAGE OF HOUSE BILLS  
574 AND 575

BRIAN POTVIN

ALL OF THE FOLLOWING PEOPLE OPPOSE HOUSE BILL NUMBER 575 (fuel increase) and HOUSE BILL NUMBER 574 (registration fee increase) BECAUSE OF THE NEGATIVE IMPACT IT WOULD HAVE ON THE TRUCKING INDUSTRY.

Walter Helcom

Marie C. Tura

Wendy S. Pisk

Jim Fine

Edward W. Bell

Jack A. Rully

Terence V. Pallas

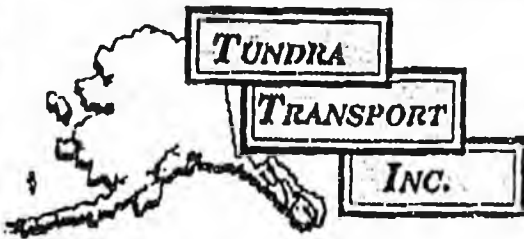
James A. Bitney

Steven Johnson

Jim R. Cuthbert

Chris Goerhan

Charlene L. Kristner



CY BITTLESTON  
SALES AND OPERATIONS MANAGER

FAX # 907-696-0085

DATE SENT: 4-6-92

TO: Richard Foster  
FROM: House Transportation Committee Members  
FROM: Susan Bullock  
TO: Tundra Transport  
FROM: Eagle River Alaska

RE: HB 575 OPPOSE!! Jim W. Tom  
HB 575 OPPOSE!! Cy Bittleston  
HB 575 OPPOSE!! Susan Bullock  
HB 575 OPPOSE!! Stephen Queer

With the poor rates in the state of Alaska - caused by the Alaska Railroad - the burden is already on the trucking ind.

I don't see this state charging the Railroad any such Tax!!

IF YOU HAVE ANY DIFFICULTY RECEIVING THIS TRANSMISSION,

PLEASE CONTACT US AT (907) 696-7103

11515 DOREALIS, EAGLE RIVER, ALASKA, 99577 PHONE (907) 696-7103

# STATE OF ALASKA THE LEGISLATURE

FOUCH Y - STATE CAPITOL  
BUREAU, ALASKA 99511  
907.465.3800

## LEGISLATIVE AFFAIRS AGENCY LEGISLATIVE REFERENCE LIBRARY

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

Mary Van Nimwegen

House Transportation	4-9-92
House Transportation	4-7-92

```

* ****
*
* DELIVER TO: LHSCTRA
*
* ORIGINAL
* SENT: 04/09/92 TIME: 09:23
* FROM: LTCKTN
* SUBJECT: 92-04-044;FS;HB 575;4-9-92
* PRINT DATE: 04/09/92 TIME: 09:24
*
* ****

```

JNU MOD: JIMMY

```

T/C NO: 92-04-044
DATE: APRIL 9, 1992
SPONSOR: HOUSE TRANSPORTATION COMMITTEE
SUBJECT: HB 575: INCREASE MOTOR FUEL TAX
MODERATOR: JUNE ROBBINS
SITE: KETCHIKAN

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FINAL STATS

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* ****
* OBSERVER

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NAME/REPRESENTING ADDRESS PHONE BILL NO.
J. DAVE ANDERSON/ANDERSON OIL CO. 225-2163 HB 575

```

T/C NO: 92-04-044  
DATE: 4/9  
SPONSOR: (H) TRANSPORTATION  
SUBJECT: HB 575  
MODERATOR: JUDY  
SITE: ANCHORAGE

~~SECRET~~  
PARTICIPANT LIST

\*\*\*\*\*

TESTIFIER

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. CHERYL RICHARDSON			HB575

2.

3.

4.

5.

\*\*\*\*\*

DRIVER

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1.			

2.



```

*****
*
* DELIVER TO: LMSCTRA
*
* ORIGINAL
* SENT: 04/07/92 TIME: 10:48
* FROM: LTCCSLN
* SUBJECT: 92-04-028, FS, HB575, 04/07/92
* PRINT DATE: 04/07/92 TIME: 10:48
*
*****

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SUBJECT LINE TO READ: TC NO., PL NO. OR FS; SHORT SUBJ; DATE

JRU MOD: JINBY

```

TC NO: 92-04-028
DATE: 04/07/92
SPONSOR: HOUSE TRANSPORTATION
SUBJECT: HB 575
MODERATOR: OTTSY HILL
SITE: GLENNALLEN

```

FINAL STATE

\*\*\*\*\*

TESTIFIER

NAME/REPRESENTING	ADDRESS/CITY	PHONE	BILL NO.
1. FRED HEINZ/GLACIER DINING	P.O. BOX 12, GALLOA, AK. 99586	322-3308	HB575
2. JAMES CLINE/CLINE ENTERPRISES	P.O. BOX 2, GLENNALLEN, AK. 99588	322-3480	HB575

- 3. PAUL BLAIR/GLENNALLEN HOBBY SHOP 822-3698 HB575  
P.O. BOX 168, GLENNALLEN, AK. 99588
- 4. JUDY SHELTON/SHELTON SERVICES 822-3471 HB575  
P.O. BOX 572, GLENNALLEN, AK. 99588
- 5. CAROL NEELEY/CBS SERVICE CO. 822-3252 HB575  
P.O. BOX 165, GLENNALLEN, AK. 99588

\*\*\*\*\*  
OBSERVER

NAME/REPRESENTING	ADDRESS/ZIP	PHONE	BILL NO.
1. ROCKY ANSELL P.O. BOX 217, COPPER CENTER, AK. 99573		822-3633	HB575
2. JACKIE CLINE P.O. BOX 2, GLENNALLEN, AK. 99588		822-3480	HB575
3. FRED E. HEINZ/GLACIER MINING P.O. BOX 196, GAKONA, AK. 99586		822-5208	HB575
4. TERRY FISHER/OWNER OPERATOR P.O. BOX 131, GLENNALLEN, AK. 99588		822-3373	HB575
5. HENRY OSBORNE/H&L ENTERPRISES P.O. BOX 145, GLENNALLEN, AK. 99588		822-3609	HB575
6. DAVID HILL/OWNER OPERATOR P.O. BOX 12, COPPER CENTER, AK. 99573		822-3426	HB575
7. D.J. WISON/TRUCK DRIVER P.O. BOX 10, COPPER CENTER, AK. 99573		822-3993	HB575
8. JASPER HALL/SERVICE OIL & GAS P.O. BOX 276, GLENNALLEN, AK. 99588		822-3575	HB575

\*\*\*\*\*

TESTIFIED: 5  
UNABLE: 0  
OBSERVED: 8  
TOTAL: 13

START TIME: 8:30AM

END TIME: 9:45AM



# House Transportation Committee

SUBJECT OF MEETING:  
*HB 575 -*

DATE:

PLACE: *17*

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
<i>Mike Navarre</i>	<i>Sen Leg.</i>	<i>Box 1 JUNEAU</i>	<i>99801</i>		<i>465-3779</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>HB 575</i>
						<input type="checkbox"/>	<input type="checkbox"/>	
						<input type="checkbox"/>	<input type="checkbox"/>	
						<input type="checkbox"/>	<input type="checkbox"/>	
						<input type="checkbox"/>	<input type="checkbox"/>	
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						<input type="checkbox"/>	<input type="checkbox"/>	
						<input type="checkbox"/>	<input type="checkbox"/>	

Our plans miscarry because  
they have no aim. When a man  
does not know what harbor he  
is making for, no wind is the  
right wind.

SENECA



*Betsy Giles '91*



**TOMORROW'S ALASKA:  
TRANSPORTATION FOR THE 21ST CENTURY**



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

*Message from Governor Hickel*

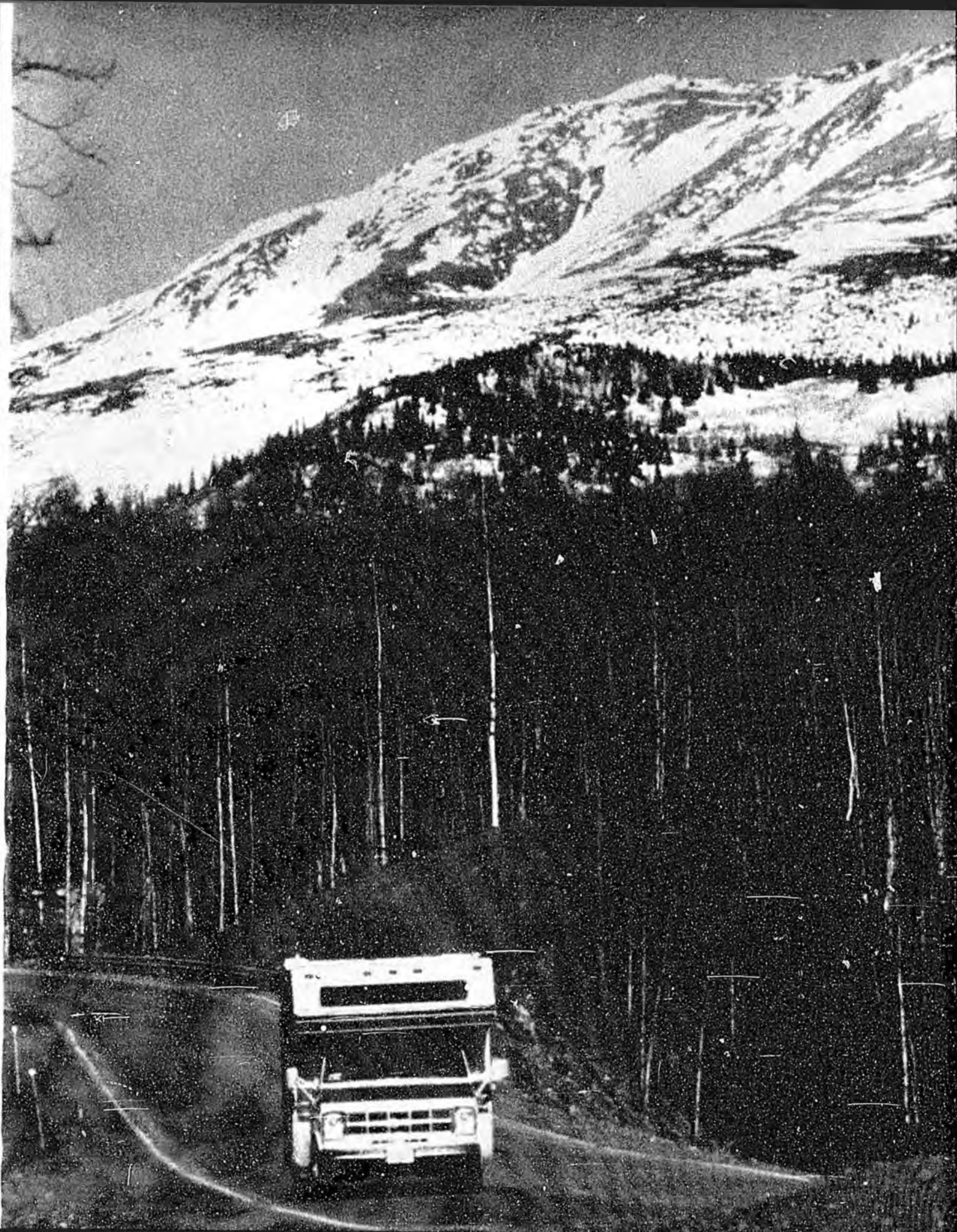
*One of the state's most important goals is to move toward a mature, productive economy that provides jobs for all Alaskans. To achieve this goal, we must encourage economic growth by bringing our natural resources to the marketplace. A resource-based economy requires a dependable transportation system to grow and prosper. With so many of our resources in public ownership, government must address their development in addition to their protection. We must accept the challenge of providing a transportation system that encourages the wise use of our resources.*

*Our transportation system compliments our social and natural environment. The transportation system must be planned and developed in a manner which will ensure the protection of cultural and environmental values. In a state as diverse as ours, transportation serves many different purposes. Few would dispute that it is the responsibility of government to provide a good transportation system to benefit us all. We must care for it as responsible stewards.*

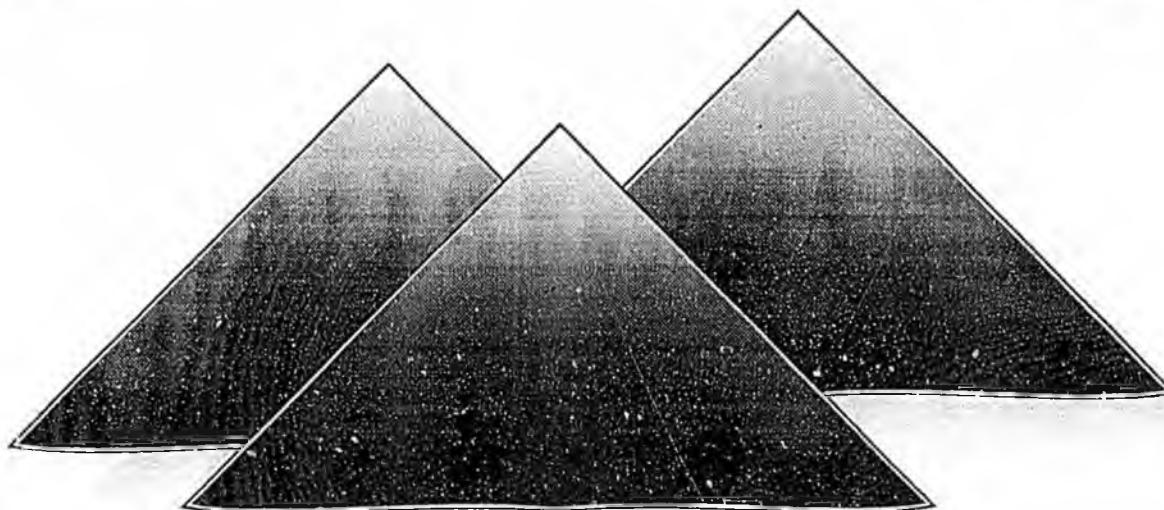
*Tomorrow's Alaska: Transportation for the Twenty-first Century, provides the policy guidance needed to change how our transportation system is managed to better support a mature, productive economy. The policies in this plan, if implemented, will benefit all Alaskans. However, to implement the plan, there are responsibilities that must be accepted and steps that need to be taken. As each one of us benefits, each one of us must share in these responsibilities. We all must be willing to do something to get things started.*

A large, stylized handwritten signature of Walter J. Hickel in black ink.

Walter J. Hickel  
Governor



TOMORROW'S ALASKA



*Transportation for the Twenty-First Century*

December, 1991  
Alaska State Transportation Policy Plan

*Prepared by the Office of Strategic  
Management, Planning and Policy*

**Department of Transportation and  
Public Facilities**

Frank G. Turpin, Commissioner

## TABLE OF CONTENTS

<i>Commissioner's Letter</i> .....	<i>Preface</i>
Chapter I: Blueprint for Alaska's Transportation System .....	1
Chapter II: Economic Growth, Productivity and Quality of Life .....	5
<i>Transportation System Map</i> .....	<i>11</i>
Chapter III: Financing the Transportation System .....	15
Chapter IV: Appropriate Responsibility Alignment .....	21
Chapter V: Management Action Plan .....	27
Epilogue: Structural Changes by Mode .....	33
<i>Appendix</i> .....	<i>43</i>

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL  
GOVERNOR

3132 CHANNEL DRIVE  
JUNEAU, ALASKA 99801-7898  
PHONE: (907) 465-3900

December 20, 1991

Dear Alaskans:

We are pleased to present to you *Tomorrow's Alaska: Transportation for the Twenty-first Century*. This document presents a policy framework intended to implement the transportation component of the Governor's goal for Alaska's future. We believe moving toward a mature, productive economy requires the development of a balanced and sustainable transportation system. To achieve a balanced transportation system, we believe our system must be expanded as our economy grows and must be well-maintained to increase productivity and protect our investment.

Likewise, we believe a mature, productive economy can not be achieved unless we develop a way to sustain a stable level of transportation services over time. Transportation is one of the fundamental functions needed in an organized society. It directly affects the performance of the economy and the quality of every citizen's life. Transportation services are too important to allow them to be dependent on the whim of external forces that often influence our service levels by dictating the availability of funding. For this reason, the establishment of a dedicated fund to pay for transportation services from a predictable revenue stream continues to be the department's highest priority.

In the context of developing this policy plan, we have attempted to take a "big picture" view of our transportation system and how it functions. Our analysis prompted us to ask: Is there a better way to organize our transportation system? The answer is clearly yes. The state is responsible for a broad array of transportation facilities ranging from subdivision streets to major international airports while responsibility at the local level varies greatly from community to community. We do not believe the current hodgepodge of responsibility makes sense. Basically, the state needs to focus more of its resources on a core transportation system that supports or promotes a statewide purpose. Further, it only makes sense to have local transportation decisions made by local officials and to have responsibility accepted equally. We are prepared to become partners with local governments to develop a way to share dedicated revenue with communities when transportation responsibility is realigned.

We recognize that our high level view of the transportation system has caused us to focus on only the most important issues. In particular, we acknowledge that not all

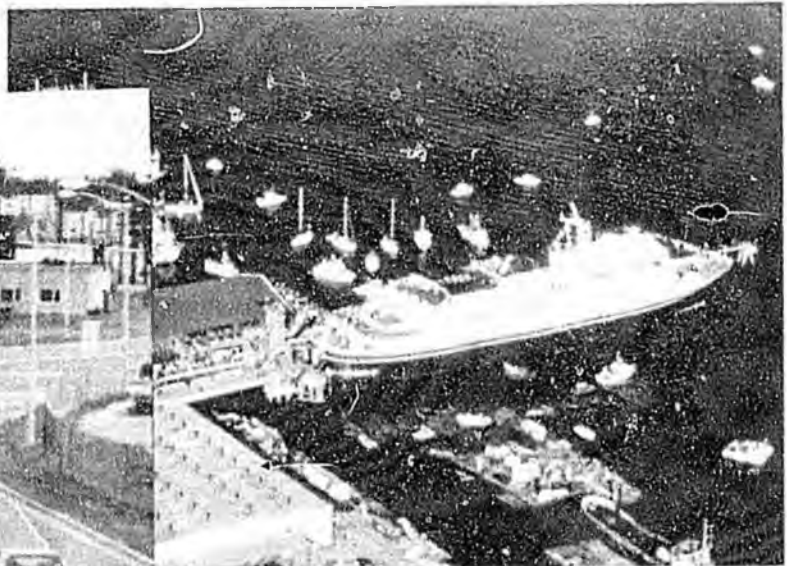
modes of transportation are equally presented in this plan. As the problems we have identified in this plan are resolved and as our planning process develops, additional analysis of other issues and other modes will be undertaken.

Accomplishing the initiatives outlined in this document will require changes for all of us. Even though we intend to pursue these policy directions aggressively, we also recognize that adjustments need to be made in a cooperative manner. By working together to implement this plan, we can build a transportation system to prepare us for the twenty-first century.

Sincerely,

A handwritten signature in cursive script, appearing to read "F. Turpin".

Frank G. Turpin  
Commissioner



# CHAPTER I

## **A BLUEPRINT FOR ALASKA'S TRANSPORTATION SYSTEM**

The purpose of this document is to recommend policies and actions to the Alaska State Legislature and the Alaskan public to help address some of the state's most fundamental transportation issues. Our transportation system and economy are both at critical stages of development. We need to take bold action today to strengthen these elements of our society's foundation as it is an important investment in our future and our children's future.

The state has a unique role as manager of the public resources, and the department's statutory responsibility for providing public transportation infrastructure is critical in supporting that role. Forward-looking management policy for these transportation responsibilities is essential. As the challenge is so great, the department needs to focus on actions which will help us receive maximum benefit from our current inventory of transportation assets and from our future transportation investments. This document was created to provide a blueprint for understanding and resolving the fundamental issues that will impede us from fulfilling our mission.



## **TRANSPORTATION PLAYS A CRITICAL ROLE IN A RESOURCE-BASED ECONOMY**

Even though Alaska's economy is resource-based, we have only begun to tap our natural resources. The state is rich with minerals, water, timber, fish, game, and other natural resources. Our state also possesses vast natural beauty, placing tourism and recreation among the state's most valuable industries. To prosper and grow, our economy requires a transportation system of railroads, pipelines, highways, ports and harbors, and airports that provides good access and furthers economic development. The state, as manager of its resources, has the responsibility to develop the policy for management of that transportation system.

The state's geography and climate increase the challenge of providing an effective transportation system so critical in a mature, productive economy. Finished products manufactured within the state or brought here from other areas must be transported to the geographic extremes of the state.



*The department's maintenance facilities reach the geographic equivalents of Georgia, New Mexico, and Minnesota.*



**This blueprint for action should facilitate the discussion needed to bring about our goal—to develop a balanced and sustainable transportation system.**

Almost everything we do requires mobility—to go to work, school, shop, visit a friend or to pursue recreational activities. To meet these diverse needs, the department is responsible for 5,580 centerline miles of roadway, two international airports, 309 smaller airports, a fleet of ferry vessels, and more than 140 ports and harbors.

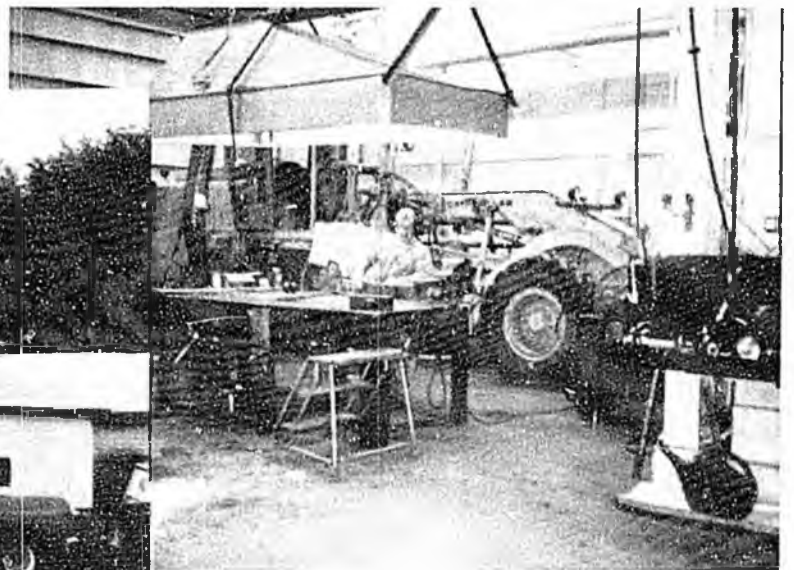
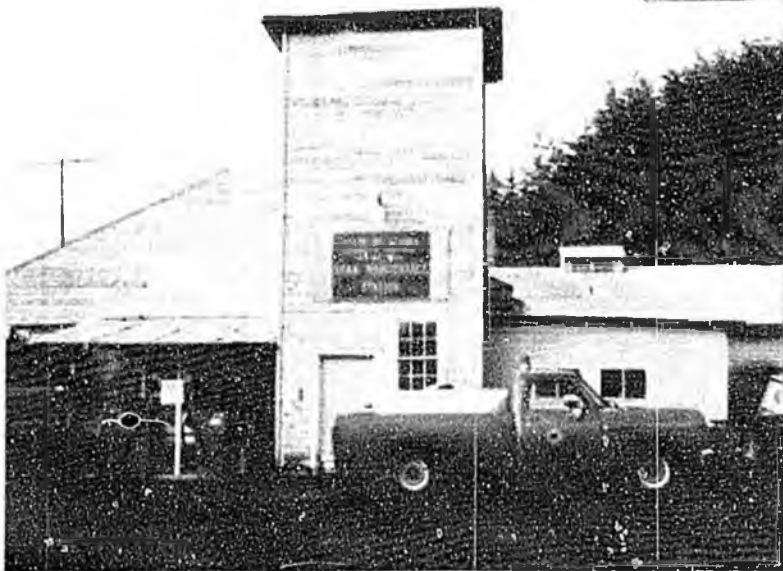
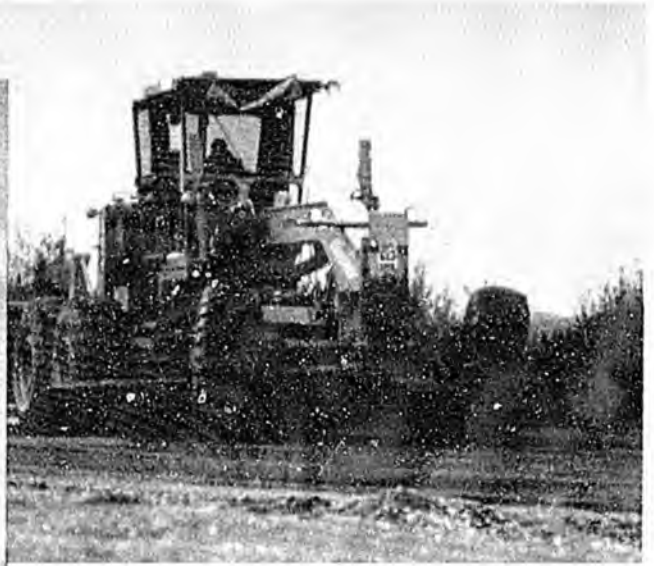
The recommendations presented here resulted from a broad-based, representative transportation policy planning process. This process gathered comments from consumers, the transportation industry, labor, business, government agencies, elected officials, environmental groups and many others. A newsletter was distributed to more than 300 community leaders and organizations throughout the state, open houses were held at various locations across the state, and an interagency review committee was convened to provide coordination with other agencies. These discussions with other professionals and the public identified three important questions. These questions must be answered to successfully develop a balanced and sustainable transportation system.

- **What improvements are needed to support economic growth, productivity, and our quality of life?**
- **How should we finance the transportation system?**
- **What is appropriate transportation responsibility for each level of government?**

Using information gathered during the outreach effort, strategies were identified to deal with each of the strategic issues. Developing a balanced and sustainable transportation system cannot be achieved by a single state agency. It will require joint commitment, joint responsibility, and joint action by the state, local officials, and users of the system.

The following sections detail the elements of change which we think should be supported by all Alaskans. This blueprint for action should facilitate the discussion needed to bring about our goal—to develop a balanced and sustainable transportation system.





## **CHAPTER II**

# **WHAT IMPROVEMENTS ARE NEEDED TO SUPPORT ECONOMIC GROWTH, PRODUCTIVITY, AND OUR QUALITY OF LIFE?**

One of the most important purposes of a transportation system is to support participation in economic activity. Our transportation system also enhances the quality of life for all Alaskans by making our land accessible for recreational enjoyment and for settlement. Accordingly, improving the ability of our system to support economic growth, productivity, and our quality of life is the first strategic issue to be addressed.



## **TRANSPORTATION IS VITAL TO OUR ECONOMIC AND COMMUNITY WELL-BEING**

Public investment in infrastructure, including transportation facilities, has been shown to be essential to economic productivity and profitability. Transportation is an important factor in Alaska's economy in several specific ways:

- **The condition of the existing transportation system plays a critical role in economic productivity.**

Road condition affects tire life, springs, shock absorbers, wheel alignment, and other vehicle components. For business and industry, reduced speeds and delays due to poor roads and traffic congestion increase the cost of doing business. Increased transportation costs threaten marginal businesses and increase the cost of goods and services to every consumer. As individuals, our quality of life depends upon transportation to provide mobility for many activities we enjoy on a daily basis.

**As individuals, our quality of life depends upon transportation to provide mobility for many activities we enjoy on a daily basis.**

- **Transportation infrastructure facilitates economic diversification.**

The state's decision-makers have been talking about diversifying Alaska's oil-dependent economy for years, and investment in basic infrastructure,

including transportation, is a rudimentary requirement for economic diversification. Well-planned harbors, docks, roads, railroads, and airports can help us toward economic diversification,

enabling us to profit from our natural resources, and making our strategic geographic location work for us.



- **Transportation will promote a positive quality of life for Alaskans.**

Good transportation contributes to our quality of life by facilitating safe, reliable, and convenient mobility in all of our activities. Educational, recreational, cultural, and social opportunities in urban and rural environments reinforce a sense of community



statewide. There are personal costs of an inadequate or poorly maintained transportation system in that each individual suffers losses in time, comfort, or enjoyment. Moreover, an individual's use of resources, whether

they are community activities or recreational enjoyment of our natural environment, is dependent on the access provided by the transportation system.

**There are personal costs of an inadequate or poorly maintained transportation system in that each individual suffers losses in time, comfort, or enjoyment.**

- **Alaska's competitive position in the U.S. and world economy is at stake.**

Economic competition between states, regions, and countries is fierce. Transportation must also support major developments encouraging interstate and international trade such as transshipment ports or the development of a northern shipping route. The level of our investment in transportation will help determine how well we compete.

- **Planning for future economic development will require corridor preservation.**

We must provide for major surface and water access to reach resource areas in the future. As a resource-based economy, our state's competitive advantage depends upon access to raw materials, to transportation terminals, and to markets.



# LACK OF INVESTMENT IN TRANSPORTATION THREATENS OUR ECONOMY

With the exception of a federal program, Alaska has invested only sporadically in transportation system enhancement or expansion activities since the early 1980's. Over the last decade, state general funds for transportation capital improvements have disappeared except for matching funds required to leverage federal highway and aviation dollars.

The loss of state general funds for capital improvements has caused Alaska's transportation system to suffer.

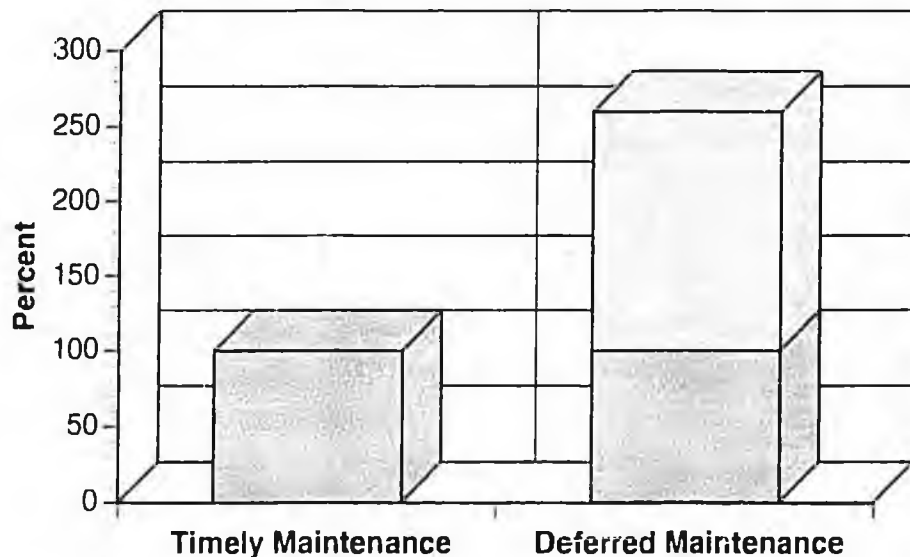
... as state general funds for routine maintenance have decreased, managers have increasingly had to use federal dollars to meet the expensive rehabilitation needs which result from deferring maintenance.

- **We need to identify statewide needs and priorities.**

Strategic links in our transportation system have not been completed, or are poorly maintained. These links may never be completed or properly maintained until the political decision-making process places more emphasis on statewide needs.

Moreover, as state general funds for routine maintenance have decreased, managers have increasingly had to use federal dollars to meet the expensive rehabilitation needs which result from deferring maintenance.

- **Many capital improvements address problems resulting from deferred maintenance. These improvements are more extensive and, therefore, more costly than maintenance. There is an immediate economic reason for timely maintenance.**



*The Transportation Research Board reports that deferred capital improvements cost up to 160% higher than the cost of timely improvements.*





As repairs are delayed, costs are also increasing because of inflation and environmental concerns which may include expensive mitigation measures. Because of these factors, the Federal Highway Administration's Composite Bid Price Index reports that between 1972 and 1991, highway construction increased in cost by 195%. By deferring routine maintenance the state is, by default, adopting the most expensive maintenance strategy. The community residents, business people, and industry leaders with whom we conferred expressed a strong dissatisfaction with the current condition of the state's facilities. It is little wonder that the public has urged that we make fixing up our existing transportation system our highest priority.

- **Our deferred maintenance backlog looms with greater urgency and greater cost implications each year.**

Common sense says we should keep our transportation system in good condition. Effective and timely maintenance and improvements are needed if our investments in infrastructure are to be well managed. The condition of our transportation facilities is now forcing Alaskans to pay a hefty "hidden tax."

## ***WE MUST INCREASE INVESTMENT IN TRANSPORTATION IF WE ARE TO HAVE A PRODUCTIVE ECONOMY***

If we are to ensure our competitiveness in the regional, national, and international marketplace, Alaska must achieve a balanced and sustainable transportation system.

**By deferring routine maintenance the state is, by default, adopting the most expensive maintenance strategy.**

- **A balanced system will provide consistently maintained, serviceable facilities and steady, planned growth in the system.**

For the state transportation system to provide adequate support for economic activity, a dual strategy must be pursued. First, the existing transportation system must be better maintained to increase productivity. Second, the system should be enhanced and should grow over time to support economic growth. To have a transportation system capable of supporting the economy, these competing demands must be balanced.



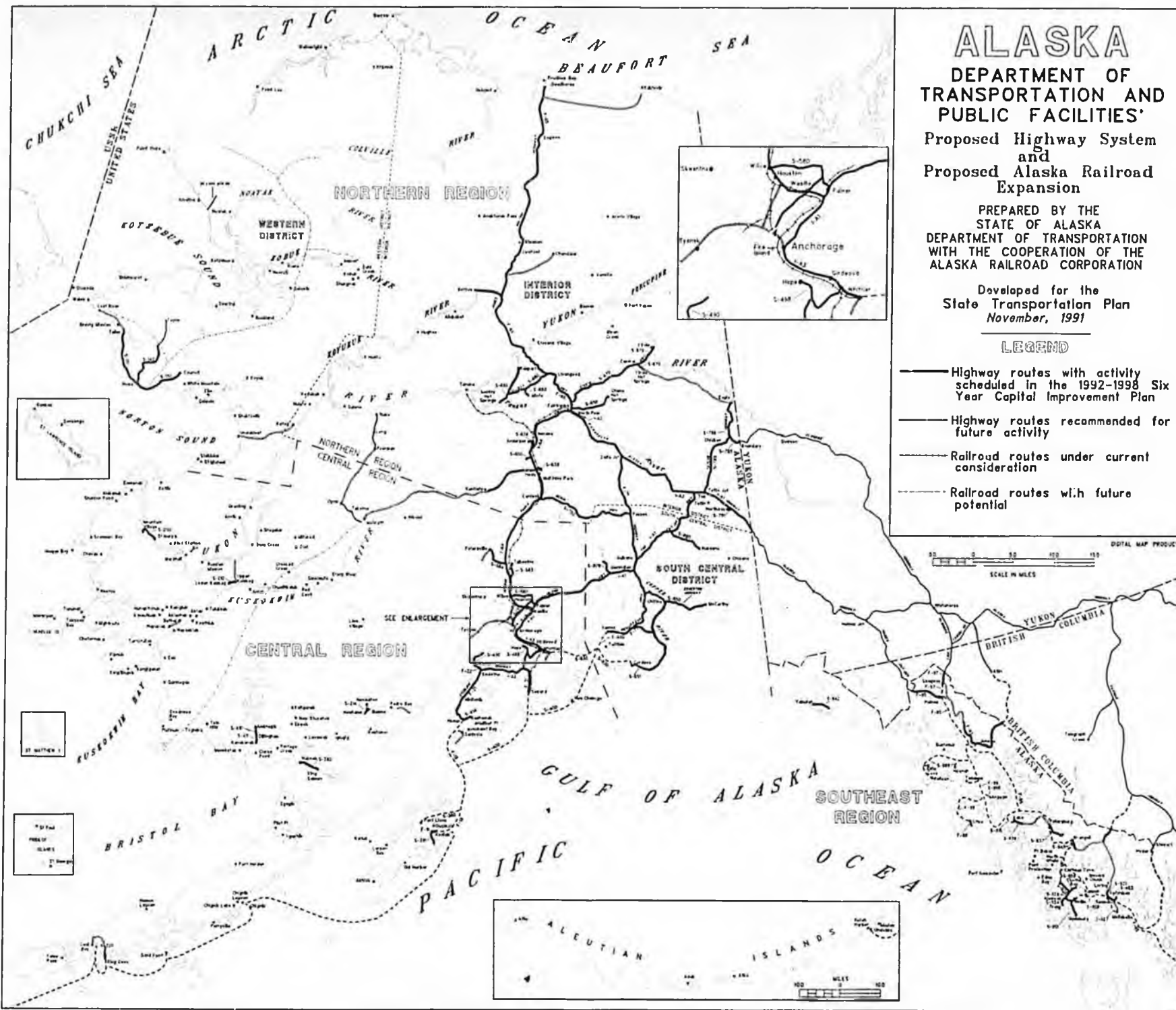
Concern about the need for more aggressive and more focused transportation system expansion is not new. In 1988, a Municipal and Legislative Task Force on Transportation Facilities compiled a report on the delivery of transportation services in Alaska. In its report, the Task Force expressed concern "that future expansion of Alaska's infrastructure for strategic economic development is in danger of stagnation because of the declining funds available for capital projects."

**OUR TRANSPORTATION SYSTEM PROVIDES  
ACCESS TO OUR LAND AND RESOURCES, TO  
WHERE WE LIVE, AND TO WHERE ALASKANS  
WILL LIVE IN THE FUTURE.**

The map on the following page shows new highway and railroad routes proposed for system expansions in the future. The highway routes in red comprise the department's system expansion initiative (see Action Strategy I, Initiative I.2, page 28). Capital improvement funds to begin work on these projects have been earmarked in the six-year capital plan. These recommended system expansions have evolved from the department's planning process. Although the public process will eventually define the priority of each proposal, we believe expanding the system should be actively pursued.

**... the Task  
Force expressed  
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future expansion  
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# ALASKA

## DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES'

### Proposed Highway System and Proposed Alaska Railroad Expansion

PREPARED BY THE STATE OF ALASKA DEPARTMENT OF TRANSPORTATION WITH THE COOPERATION OF THE ALASKA RAILROAD CORPORATION

Developed for the State Transportation Plan November, 1991

#### LEGEND

- Highway routes with activity scheduled in the 1992-1998 Six Year Capital Improvement Plan
- Highway routes recommended for future activity
- Railroad routes under current consideration
- Railroad routes with future potential

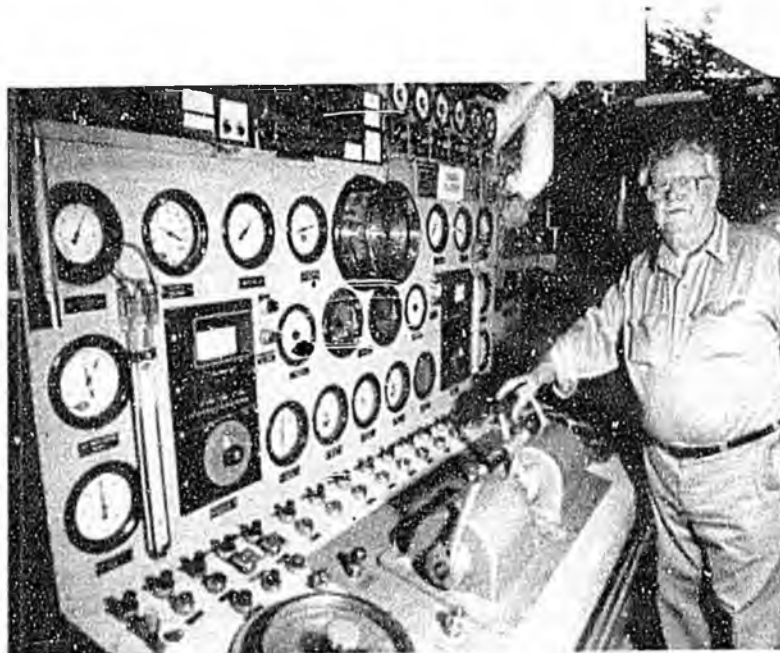
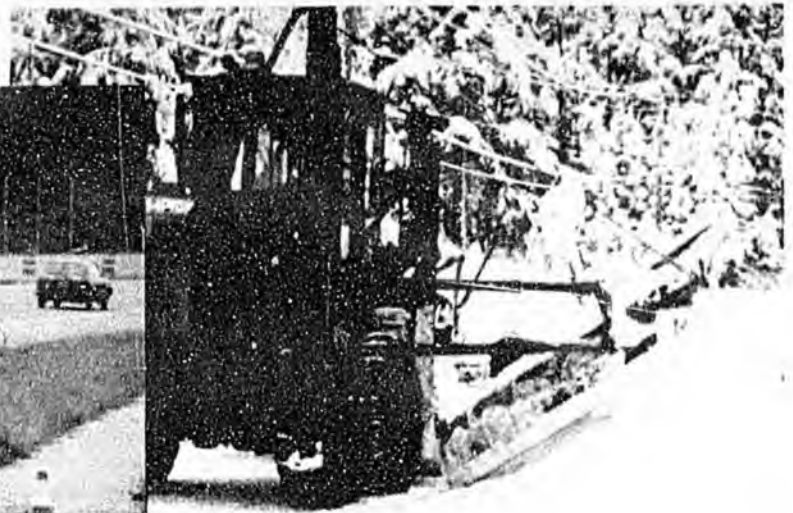
DIGITAL MAP PRODUCT  
SCALE IN MILES  
0 50 100 150

ALEUTIAN ISLANDS  
0 50 100 MILES

**TO ACHIEVE A BALANCED AND SUSTAINABLE  
TRANSPORTATION SYSTEM, WE BELIEVE  
BASIC STRUCTURAL CHANGES NEED TO BE  
MADE IN THE WAY WE MANAGE OUR SYSTEM**

Two major structural issues will be examined in the remainder of this plan: funding and responsibility. We believe providing for the ongoing needs of the state's transportation system requires major adjustments in how we finance the system and in how responsibility for the system is structured. Making these changes will improve our ability to manage the transportation system and will benefit all Alaskans by more efficiently delivering transportation services.





## **CHAPTER III**

# **HOW SHOULD WE FINANCE THE TRANSPORTATION SYSTEM?**

A transportation agency has two basic responsibilities. The first is to care for existing transportation investments. Properly caring for capital investments requires that routine maintenance be performed on a timely basis. The costs of routine maintenance can be anticipated, and for it to be performed in a timely manner, a stable level of funding is necessary. The second responsibility is to assure that the transportation system will support the economy and society of the future. These long-term responses to the transportation needs of the economy and society are almost always major capital investments. To pursue long-term capital investments, a predictable level of funding is required.

To sustain our transportation system over time, a stable and predictable stream of money must flow into construction and maintenance of our transportation facilities. The following chapter describes how this can happen.



## **STABLE AND PREDICTABLE FUNDING IS IMPORTANT BECAUSE TRANSPORTATION UNDERLIES THE STATE'S ECONOMIC HEALTH**

Positioning ourselves for the future in the global marketplace requires close and early attention to front-end planning. Just like a well-run business, the well-managed transportation agency must devote time and money to positioning itself for the future.

- **It is critical to have funding mechanisms that allow for early project programming.**

Making decisions with a long-range view of the future is more important for transportation than for most other governmental functions. Construction of infrastructure is the required front-end investment for economic growth. The desired outcome, economic growth, may follow some years after the initial investment. Moreover, capital projects require a lead time of at least three years, and may require much longer if complications arise.

- **Without stable and predictable funding, a focus on the efficient use of resources is impossible to achieve.**

Management attention is routinely diverted to the pressing need to reduce services because of funding shortfalls. Providing a stable funding source will ensure that ongoing needs are funded on a routine basis. Managers will then be able to focus on challenges and opportunities facing Alaska in the twenty-first century.

**Making decisions with a long-range view of the future is more important for transportation than for most other governmental functions.**



- **All levels of government benefit from stable and predictable transportation funding; the economy of Alaska's communities will grow stronger as efficiency improves in the transportation system.**

Passenger travel and freight movement take place through the use of government-provided facilities. Yet, all levels of government in Alaska lack a reliable financial base for meeting their transportation-related responsibilities. We can strengthen the ability of Alaskan transportation agencies to do their jobs by ensuring stable, predictable funding for needed improvements and services at all levels of government.

## **USER FEES SHOULD BE DEDICATED FOR SPECIFIC TRANSPORTATION SERVICES, PROVIDING A STABLE, PREDICTABLE FUNDING SOURCE FOR THE COST OF THESE SERVICES**

**In the United States, only Alaska and the District of Columbia lack some form of dedicated funding for transportation.**

Transportation is different from many government services in that use of the transportation system generates a distinct stream of revenues. The fuel used by motor vehicles as they travel through the system is taxed when it is sold. Other fees are also collected, including registration fees for the vehicles that use our highways, license fees for vehicle drivers, and facility-specific fees such as landing fees at airports or moorage fees at harbors. This distinct set of user fees can be "dedicated" for specific transportation services, thereby linking the services received with the cost of doing business. In the United States, only Alaska and the District of Columbia lack some form of dedicated funding for transportation.



**... the public's response was clear: if transportation system user fees are increased, it must be guaranteed that these funds will be used to support transportation.**

- **Without a direct linkage between services and their costs, expectations are seldom restrained by fiscal realities.**

In turn, unrealistic expectations create frustrations for users as well as for government officials at all levels of government. Dedicated funding provides the direct linkage.

- **Dedicated transportation system user fees should pay the costs of managing the investments we have in our transportation facilities.**

Transportation facilities should be managed as public capital assets. To the extent possible, operational costs associated with facility management should be paid by the users most clearly linked to the use of the facility.

## **TRANSPORTATION SYSTEM USER FEES SHOULD BE INCREASED**

Frustration with the current condition of the state's transportation facilities is increasing the level of public support for raising state revenues to support transportation improvements.



- **The transportation system should be financed to a much greater extent through user fees, dedicated to the mode from which they are collected.**

Indications during the statewide public meetings were that Alaskans are willing to pay more user fees to improve service

levels. However, the public's response was clear: if transportation system user fees are increased, it must be guaranteed that these funds will be used to support transportation.

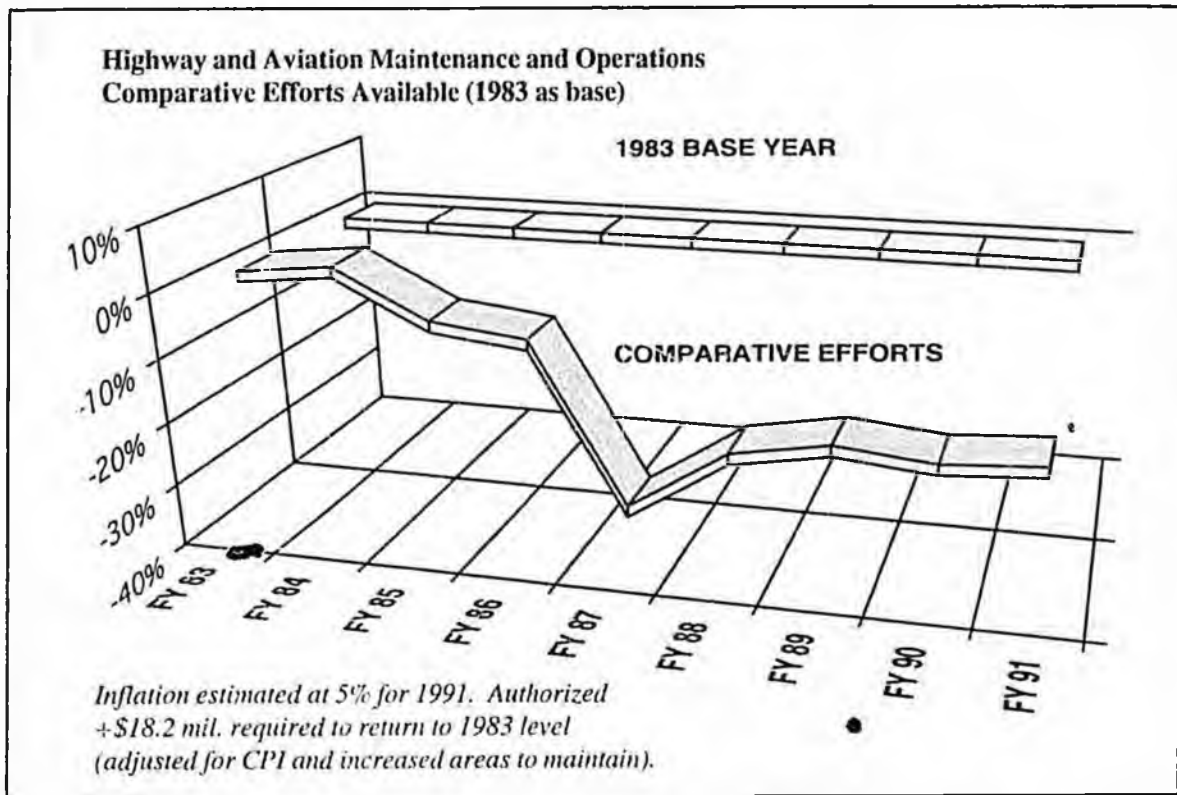
- **Alaska is far behind most other states in financing transportation through user fees.**

In the last ten years little attention has been paid to generating enough resources to fund Alaska's transportation system needs. For example, for 1991, Alaska's income per vehicle from annual state highway user taxes on a typical 5-axle tractor and trailer



is the lowest in the nation. Likewise, the national average for state gasoline tax is 18 cents, as compared to Alaska's 8 cents which is the lowest in the nation and has not been increased since 1961.

- **As available resources have continued to shrink, both state and local governments across Alaska are finding it increasingly difficult to meet their transportation responsibilities.**

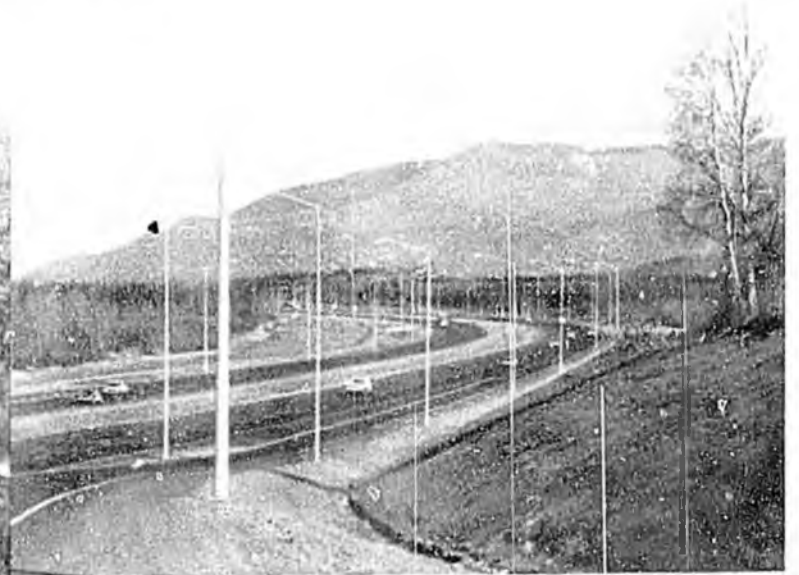
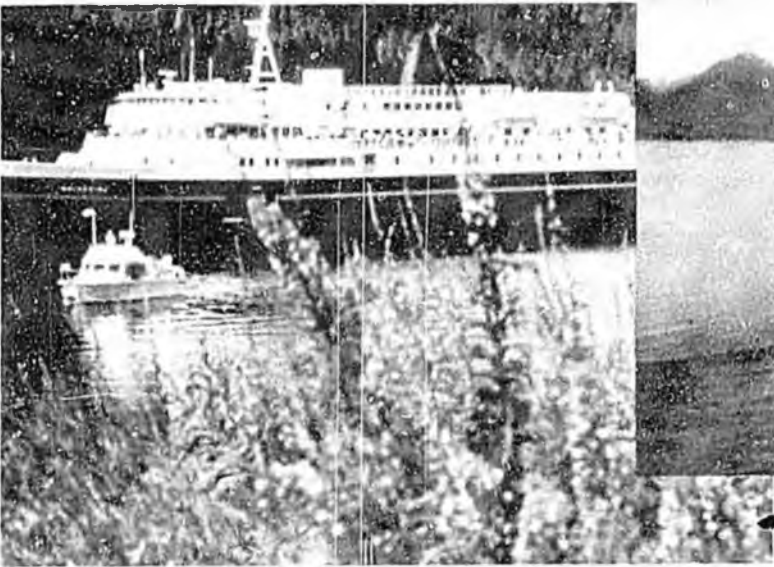
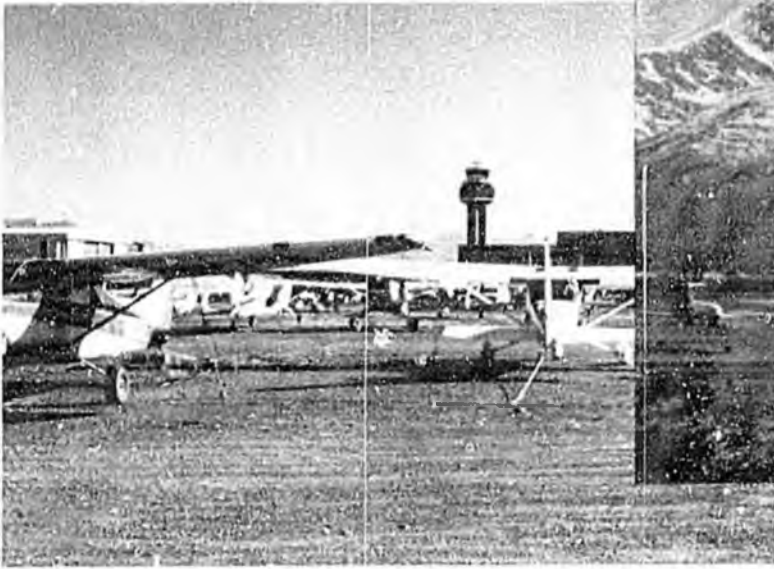


During the years since statehood, Alaska's population has more than doubled and facility use has continued to climb. As demand for maintenance services increases due to wear and tear and revenue declines, we are forced to do less for all parts of the system we operate and maintain. We are now at the point of providing an inadequate level of service to the state's roads, airports, and harbors.

- **The result of inattention is a dangerous decline in the comparative availability of maintenance and operations funding.**

Funding instability, and the lack of a tie between needs, costs, and funding are most damaging to maintenance and operations.





# **CHAPTER IV**

## **WHAT IS APPROPRIATE TRANSPORTATION RESPONSIBILITY FOR EACH LEVEL OF GOVERNMENT?**

Responsibility for the state's transportation system is currently handled through an illogical mix of arrangements. No single theme emerges from the current system. Aligning responsibility to match the respective unique abilities of different levels of government will eliminate wasted effort and provide the ability to focus resources on critical needs.

When the state acquired most of its transportation facilities, few organized local governments existed. As a result, the state had to spread its resources across the full range of responsibilities, from major airports to the smallest village streets. Although some communities have by now assumed responsibility for their own local-use facilities, the state is still involved in the maintenance and operation of facilities assumed in the past without thought to a reasonable responsibility pattern.



## **WE NEED A MORE LOGICAL PATTERN OF RESPONSIBILITY FOR TRANSPORTATION FACILITIES**

The problems caused by illogical patterns of responsibility impacts the ability of both state and local governments to care for the transportation system.

**The state is not ideally equipped to deal with local concerns. The organizational and personnel constraints of a large statewide agency inhibit its ability to deal with local problems and cause responses to be slower.**

- **Discussion of transportation responsibility is characterized by confusion and misunderstanding.**

Talk of transferring local facilities to local jurisdictions is often complicated by the lack of adequate financial resources. Additionally, communities evaluate proposed transfer policies for fairness. Often, solving these related problems seems to be an overwhelming task, and the participants withdraw, hoping the status quo will be good enough for a while longer.

- **State maintenance of local-use facilities results in inefficiency and reduced accountability.**

The state is not ideally equipped to deal with local concerns. The organizational and personnel constraints of a large statewide agency inhibit its ability to deal with local problems and cause responses to be slower.

- **The state is prevented from focusing attention and resources on statewide issues important to a mature, productive economy.**



**Local residents are the best judges of the level of service that is acceptable and needed.**

The inefficient distribution of the state's maintenance responsibilities to local-use facilities is a major contributing factor to the system malfunctioning. This is why the 1988 Municipal and Legislative Task Force on Transportation Facilities recommended a realignment of responsibility, clarification of areas of responsibility, and transfer of some transportation facilities from the state to local governments. As our economy develops, the state will need to focus a larger share of its resources on the statewide transportation system so vital to a vibrant economy. As the state focuses more and more on the core transportation responsibilities recognized to be vital for commerce, the local system will begin to deteriorate at a faster pace.



## **TRANSPORTATION SERVICES SHOULD BE PROVIDED WITH A LOGICAL DIVISION OF LABOR AMONG APPROPRIATE GOVERNMENT ENTITIES**

A more logical division of labor for transportation services was the chief recommendation of the 1988 Municipal and Legislative Task Force on Transportation Facilities.

- **To the extent possible, transportation services should be provided by the government closest to those citizens receiving the service.**

As problems with service arise, residents can contact a nearby official who knows the situation and can respond quickly. Local residents are the best judges of the level of service that is acceptable and needed. Moreover, local governments should control the interaction of transportation facilities and local land use considerations.



## **SHARING REVENUES IS ESSENTIAL TO REALIGNING RESPONSIBILITY**

The department, local officials, the concerned public, and the legislature must work together to accomplish revenue solutions. We need arrangements that equitably share responsibility, costs, and benefits. A mechanism for assigning reasonable revenue sharing to go with reasonable responsibility has been the key missing link in the proper management of the transportation system.

**A mechanism for assigning reasonable revenue sharing to go with reasonable responsibility has been the key missing link in the proper management of the transportation system.**

- **The state needs financing mechanisms whereby revenue can be directed to the appropriate management entity.**

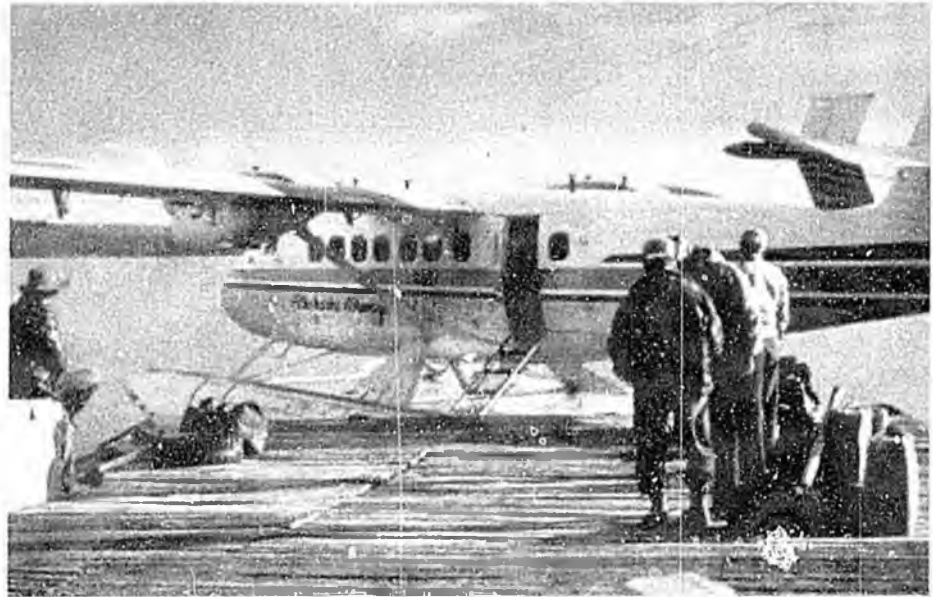
Funding needs to follow responsibility. Although municipal revenue sharing provides some funds to local governments for road maintenance, new financing arrangements are needed to direct more reasonable levels of revenue to the appropriate locations.

- **The transfer effort must be coupled with a financing package for each transportation mode based on the realistic opportunities for revenue generation for that mode.**



All parties will need a clear understanding of how various activities will be financed. An equitable transfer process will require consensus on where and how locally-generated revenues should be applied, and in what manner state administered revenues will be allocated.



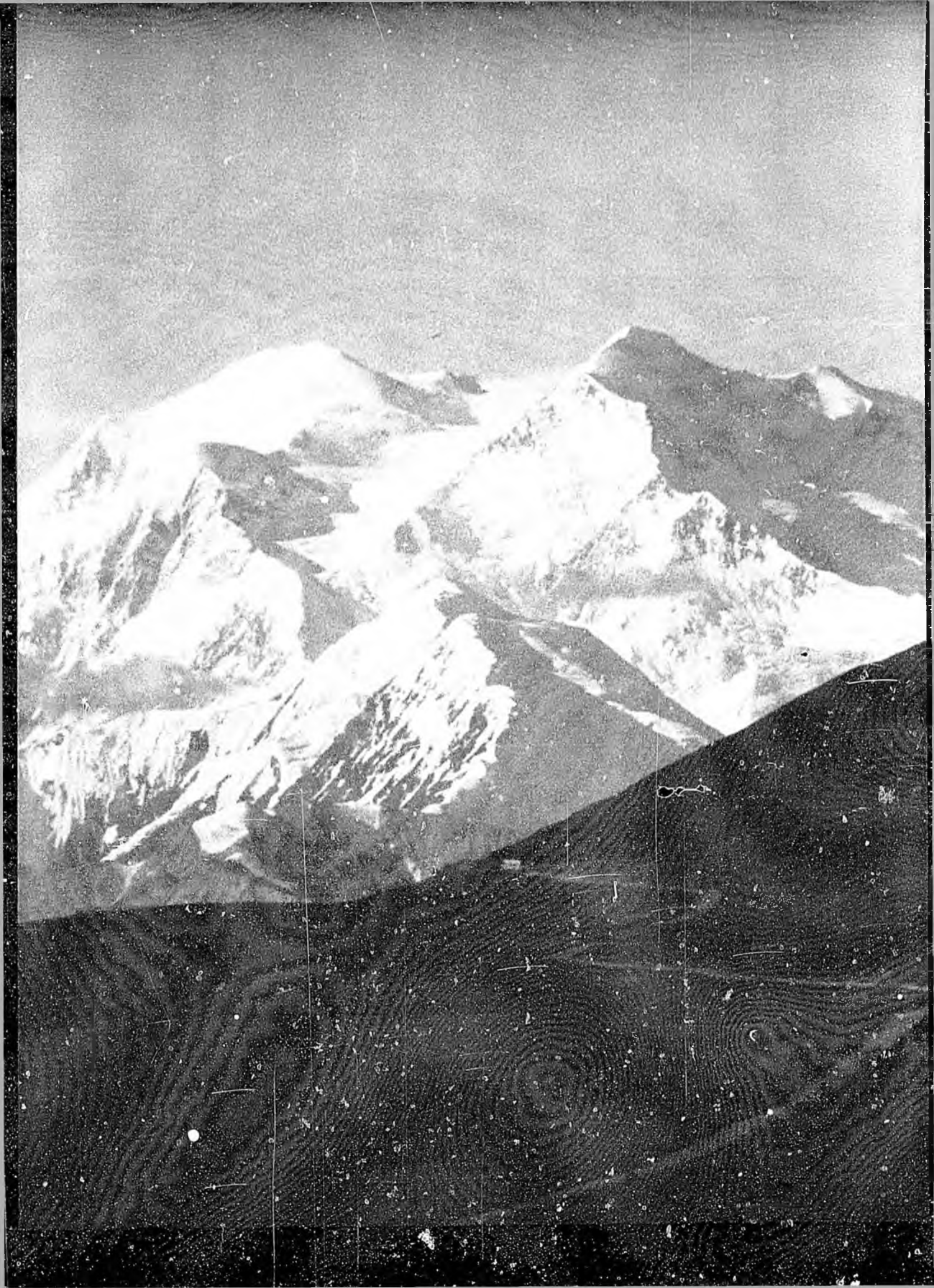


- **Transportation system user fees need to be increased so that all providers have adequate resources to carry out their accepted responsibilities.**

All ventures require adequate resources to succeed, and the actual provision of resources is key to development of the trust needed for all to work together.

More than ever, we should begin in earnest to agree to an approach and work together for mutual benefit. We must establish consistency and equity to overcome the divisiveness which has hurt the interests of all stakeholders in the system.





# **CHAPTER V**

## **A MANAGEMENT ACTION PLAN FOR THE TRANSPORTATION SYSTEM**

The success of any planning effort can be gauged by the accomplishment of its goals. Identifying the problems and needed policy changes in Alaska's transportation system required the counsel and assistance of other state agencies and many other organizations and people outside the department. Similarly, many of the plan's recommendations require changes in the way we do business and a continued cooperative effort among various interest groups. The following strategies and initiatives proposed by the department create the MAP - Management Action Plan - for the transportation system which will help move Alaska into the twenty-first century.



## **ACTION STRATEGY I: INCREASE STATE INVESTMENT IN TRANSPORTATION**

### **Initiative I. 1. Increase funds to manage our transportation assets.**

As part of its Capital Improvement Program (CIP) submission, the department will request a higher level of state funding to rehabilitate highways, airports, and harbors. The goal of this program will be to eliminate the state's deferred maintenance backlog. In the long-term, funding dedicated to each mode should include operation expenses sufficient to prevent deferring maintenance.

### **Initiative I. 2. Earmark funds for statewide system expansion.**

The 46% increase in federal funding over the next six years will provide for both an expanded rehabilitation program and a commitment to system expansion. Accordingly, department policy has been changed to commit a portion of the CIP to a Statewide System Expansion Program. Under the new policy, selection of system expansion projects for funding is based on regional and resource agency recommendations. In addition to satisfying a cost/benefit analysis, priority consideration is given to projects that develop more than one resource or that have alternate financing (e.g., contributions from private entities or a toll facility). Seven highway projects (see system map) and replacement of one Alaska Marine Highway System vessel have been identified for priority attention during this plan period.

### **Initiative I. 3. Preserve future transportation corridors.**

The department will continue to identify lands which should be protected for future transportation corridors. The preliminary identification has been submitted to the Department of Natural Resources for possible land selections to satisfy remaining statehood entitlements.

### **Initiative I. 4. Provide additional access opportunities in rural areas.**

To further the policy of increasing transportation access in all areas of the state, the department will develop a management system to manage valid and asserted Revised Statute (RS) 2477 rights-of-way. The process will provide state oversight of all valid and asserted RS 2477s developed as public thoroughfares. All valid and asserted RS 2477 rights-of-way will be managed by the department according to 17 AAC 05.



**Initiative I. 5. Promote economic development through interagency action.**

The Department of Transportation and Public Facilities, the Department of Natural Resources, and the Department of Commerce and Economic Development will comprise an action group to facilitate economic development expansion projects where the state is expected to participate. In addition to coordinating the three agencies' activities, the group will prioritize projects, develop cost/benefit analyses, and coordinate project presentation.

**Initiative I. 6. Establish Alaska's Scenic Highway System.**

The department will designate land and marine highway routes as scenic. Scenic designation capitalizes on the many opportunities to view Alaska's beauty from our highways and ferries. Through cooperative efforts with federal agencies, several of these routes can be incorporated into national programs promoting scenic byways. Further refinement and definition of the Scenic Highway System will take place during update of the Highway System Plan.

**ACTION STRATEGY II: STABILIZE AND INCREASE FUNDING FOR TRANSPORTATION**

**Initiative II. 1. Promote dedicated funding.**

The department will actively support legislation which places on the ballot a constitutional amendment establishing dedicated funding for transportation. Dedicated funding should provide for maintenance and for operating costs associated with managing the capital assets of the state's highway and aviation systems. For the port and harbor system, dedicated funding should provide a funding source for capital improvements. The department will work with external support groups to promote passage of the constitutional amendment necessary to create a dedicated fund. The dedicated fund should be equitably shared with local governments.



# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**