

**ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672**

**8815 HOUSE TRANSPORTATION**

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. HB 518

Revision Date: \_\_\_\_\_  
 Title: Overtime Compensation for  
Vehicle Sales People  
 Sponsor: House Labor & Commerce  
 Requestor: House Transportation

Department Affected: Labor  
 BRU: Labor Standards & Safety  
 Component: Wage & Hour  
 COMPONENT SERIAL NO. 345

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>CHANGE IN REVENUE</b>						
<b>FUND SOURCE #</b>						

**FUNDING:**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact: \$ None

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

This bill would exempt certain salesmen, partsmen and mechanics primarily engaged in selling or servicing automobiles, trucks or farm implements from overtime wage requirements if the individual is employed by a nonmanufacturing establishment primarily engaged in the business of selling those vehicles to ultimate purchasers. The bill has an immediate effective date.

Prepared by: Al Dwyer, Director Phone: 269-4914  
 Division: Labor Standards & Safety Date: 2/23/96  
 Approved by Commissioner: Tom Cashen, Commissioner  
 Agency: Department of Labor Date: 2/23/96

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information call the Governor's Legislative Office

*Alaska Auto Dealers Association*

935 Gambell Anchorage, Ak. 99501  
JUNEAU 789 1386 FAX 789 2865

April 3, 1996

The Honorable Gary Davis  
Chairman, House Transportation Committee  
Alaska State Legislature  
State Capital  
Juneau, Alaska 99801-1182

Dear Representative Davis,

The ALASKA AUTO DEALERS ASSOCIATION has reviewed the Committee Substitute for HB 518

I would like to express our support for this change. The Committee Substitute more accurately brings the State of Alaska in line with Federal Overtime Exemptions.

CS 518 allows the flat rate technician the ability and flexibility to earn the income they deserve.

The Committee Substitute addresses our concerns and that of our employees. While also addressing the concerns of the independent body and mechanical shops.

The House Labor and Commerce Committee has reworked this legislation quite effectively. The bill has become simple, clean, and to the point. It addresses and clarifies one specific issue and we commend the committee and Chair Kott for their work.

I encourage your support of the Committee Substitute of HB 518.

Respectfully Yours,

Steven Allwine  
President

cc Representative Pete Kott  
Representative Tom Brice  
Representative Jeannette James  
Representative Don Long  
Representative Beverly Masek  
Representative Jerry Sanders  
Representative Bill Williams

TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

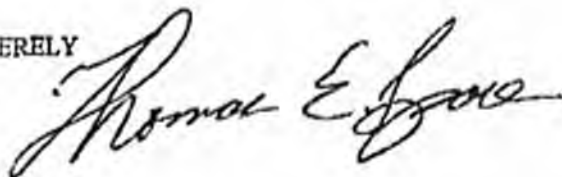
THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FCR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
DILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
DEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY

*David Y. Allgeier*

TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

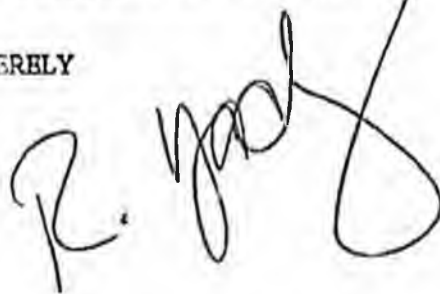
THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY

A handwritten signature in black ink, appearing to be "R. Long". The signature is written in a cursive style with a large, sweeping loop at the end.

TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOICER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY

  
Clayton Goodnow

TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

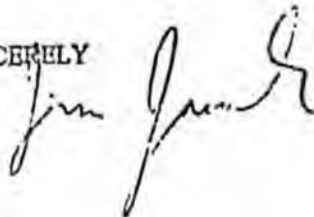
THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

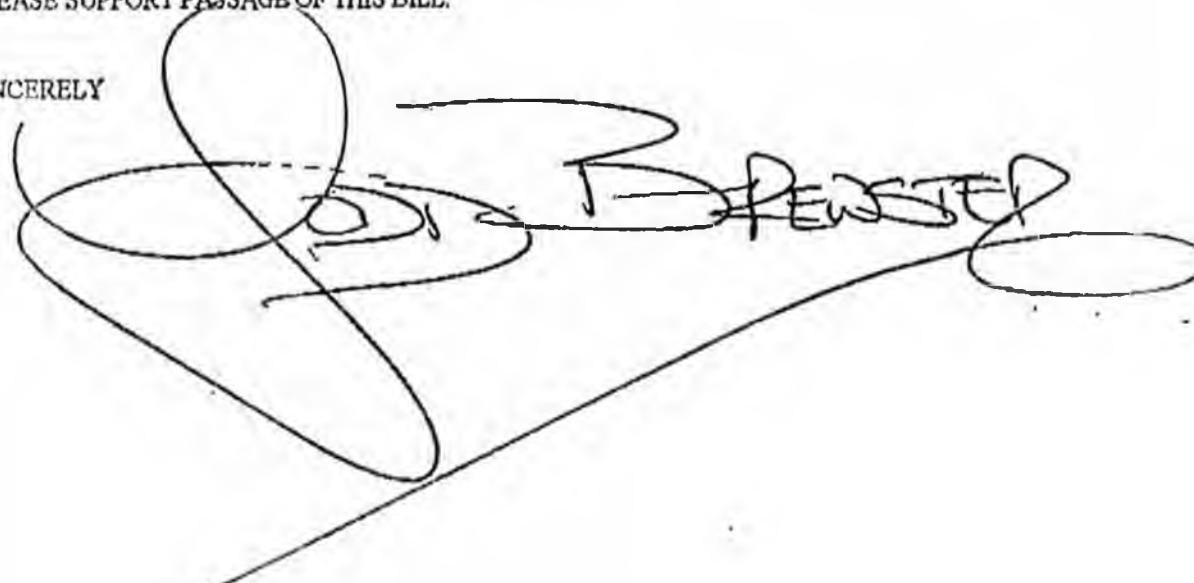
THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY

A large, stylized handwritten signature in black ink, appearing to read "GARY DAVIS". The signature is written over a large, loopy flourish that starts from the left and extends across the bottom of the page.

TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

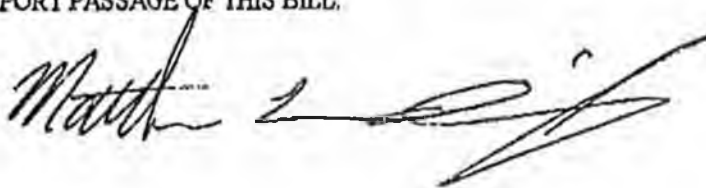
THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

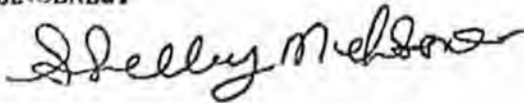
THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT, IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

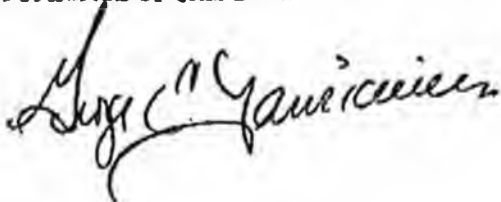
THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

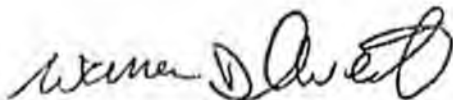
THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

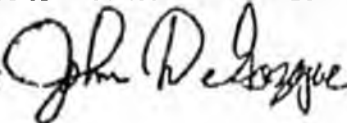
THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN AND A REGISTERED VOTER IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

IF I PERFORM 3 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY



TO: MEMBERS OF THE HOUSE TRANSPORTATION COMMITTEE

TOM BRICE  
GARY DAVIS  
JEANETTE JAMES  
DON LONG  
BEVERLY MASEK  
JERRY SANDERS  
BILL WILLIAMS

RE: HB 518

I AM AN AUTOMOTIVE TECHNICIAN [REDACTED] IN THE STATE OF ALASKA.

I SUPPORT PASSAGE OF HB 518. THIS WILL BRING THE STATE IN LINE WITH THE FEDERAL REGULATIONS CONCERNING THE PAYMENT OF "FLAT RATE" (BOOK TIME) FOR TECHNICIANS.

THE FLAT RATE PAY STRUCTURE IS THE STANDARD OF OUR INDUSTRY REGARDLESS OF WHETHER IT IS MECHANICAL OR BODY REPAIR WORK.

THE BENEFITS ARE HIGHER INCOME POTENTIAL AND INCREASED CUSTOMER SATISFACTION.

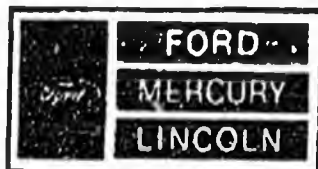
IF I PERFORM 8 HOURS OF BOOK TIME WORK IN LESS THAN THE 8 HOURS I AM PAID FOR IT. IF I AM ALMOST THROUGH WITH A JOB AT QUITTING TIME I HAVE THE ABILITY TO STAY, COMPLETE THE JOB, AND MAKE THE CAR AVAILABLE TO MY CUSTOMER.

PASSING HB 518 WOULD PERMIT ME TO MAKE THE INCOME THAT I DESIRE AND GIVE ME THE FLEXIBILITY TO WORK ADDED HOURS AS I SEE FIT.

PLEASE SUPPORT PASSAGE OF THIS BILL.

SINCERELY

*Dennis L. Zimke*



# SEEKINS FORD-LINCOLN-MERCURY, INC.

1625 Old Steese Highway Telephone (907) 459-4000 Fax (907) 459-4169  
FAIRBANKS, ALASKA 99701

Hary Davis

April 17, 1996

We would like to express our support of the proposed HB 518. At present the only exemption for the overtime requirement lies in the area of commission sales. Presently in Alaska most automotive technicians (mechanics) are paid on a flat rate (Commission) basis. This pay structure is based on a flat rate system where each job is assigned a time to perform the job, if the job is a four hour job and it is done in three hours the technician gets paid for four hours, conversely if it takes six hours the technician gets paid for four hours under the current law we have to compute overtime based on hours worked versus hours to be paid.

Most shops presently limit their technicians to forty hours per week because we have no capability to pass the overtime expense on to the consumer. This severely hampers the automotive repair facilities in providing the level of service that our consumers want and need, I.E. extended hours and weekend operations.

Using our facility as an example, if we were to run our service facility from 7 to 7 5 days a week and 9 to 6 on Saturdays (which is what our customers tell us they want) we would potentially be working our technicians 63 hours per week. If we limit our technicians to 40 hours we would have to increase technician count by 50% plus and do split shifts to do 63 hours with no overtime.

If the overtime was not required we would be able to do creative things that would have broad appeal to technicians. One example would be to use 4 day work weeks allowing 4 days on and 3 days off working 41 to 48 hours a week. In our case this could be

Page 1

done using the same (present) Technician per Day count with a Technician count increase of 25% or less. This would enable us to do extended hours without overtime expense or the added expense of split shifts and 50% increase in Technician count.

This would have the benefit of giving the Technicians a work schedule they would like to have and the opportunity for them to earn more money with fewer days at work. We would be able to do a better job of serving our customers and still be able to retain the profit margin that is required to stay in business.

Thank you for your consideration.

Al Haynes  
Customer Service Director  
Seekins Ford

**HB**

**543**

9-LS1769R

Bannister

4/17/96

CS FOR HOUSE BILL NO. 543( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): HOUSE TRANSPORTATION COMMITTEE

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to state airports and air navigational facilities."

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

3 \* Section 1. FINDINGS AND STATEMENT OF PURPOSE. (a) The legislature finds  
4 that

5 (1) it often takes considerable commitment, time, and resources for a lessee  
6 to establish a fully developed revenue-producing business or noncommercial enterprise on  
7 leased land on an airport owned and operated by the state;

8 (2) a developed business or noncommercial enterprise by an airport lessee  
9 produces a stable long-term flow of revenue to the local community and the state in the form  
10 of income from jobs created and taxes paid;

11 (3) a developed business by an airport lessee usually has established a positive  
12 reputation with its clientele that enhances future tourism and commerce in this state;

13 (4) a developed business by an airport lessee is better positioned to generate  
14 more federal passenger entitlement money for the airport and the state;

15 (5) a developed business or noncommercial enterprise on an airport land lease

1 generally maximizes the use of the airport infrastructure, and this maximization makes the  
2 airport's operation more economical; and

3 (6) providing a right and option to lessees of airport land to continue to lease  
4 the land will encourage and enhance compliance with state law and airport leases, and this  
5 compliance will benefit the overall operations of the state airport system.

6 (b) It is the purpose of the legislature to preserve and establish, for qualifying land  
7 lessees who are in compliance with state law and airport leases, a right, consistent with sound  
8 airport planning, to continue to lease the land in order to continue their businesses and  
9 noncommercial enterprises and in order to promote a strong aviation industry in this state with  
10 long-term benefits to local communities, the airports, and the state.

11 \* Sec. 2. AS 02.15.090 is amended to read:

12 Sec. 02.15.090. OPERATION AND USE PRIVILEGES. (a) In operating an  
13 airport or air navigation facility owned or controlled by the state, the department may  
14 enter into contracts, leases, and other arrangements covering periods not exceeding 55  
15 years with a person, municipality, or the United States, granting the privilege of using  
16 or improving an airport or air navigation facility or a portion of it or space in it for  
17 commercial, governmental, or other public purposes, including private aviation uses  
18 [PLANE TIE DOWN]; or conferring the privilege of supplying goods, commodities,  
19 services, or facilities at an airport or air navigation facility. The department may  
20 establish the terms and conditions and fix the charges, rentals, and fees for the  
21 privileges or services that are reasonable and uniform for the same class of privilege  
22 or service. Charges, rentals, or fees authorized by this subsection may be fixed for the  
23 international airports by order of the commissioner or by negotiated or competitively  
24 offered contract. Notwithstanding AS 37.10.050(a), the fixing of charges, rentals, or  
25 fees as permitted under this subsection is not subject to the adoption of regulation  
26 provisions of AS 44.62 (Administrative Procedure Act). The terms, conditions,  
27 charges, rentals, and fees shall be established with due regard to the property and  
28 improvements used and the expense of operation to the state. However, use of state  
29 land and buildings by the Alaska Wing, Civil Air Patrol and its squadrons shall be  
30 permitted without rental charges. The department shall provide for public notice and  
31 an opportunity to comment before a charge, rental, or fee is fixed by order of the

1 commissioner as permitted under this subsection. The public may not be deprived of  
2 its rightful, equal, and uniform use of the airport, air navigation facility, or a portion  
3 of them.

4 (b) The department may by contract or other arrangement, upon a  
5 consideration fixed by it, grant to a qualified municipality or person for a reasonable  
6 period of time the privilege of operating, as agent of the state or otherwise, an airport  
7 owned or controlled by the state. A municipality or person granted that privilege may  
8 not operate the airport other than as a public airport or enter into any contract, lease  
9 or other arrangement in connection with the operation that the department may not  
10 have undertaken under [(a) OF] this section.

11 \* Sec. 3. AS 02.15.090 is amended by adding new subsections to read:

12 (c) Notwithstanding the right of the public to rightful, equal, and uniform use  
13 under (a) of this section, before the expiration of a land lease, including the  
14 termination of a lease in holdover status, entered into under this section, the lessee may  
15 apply for a new lease, or for an extended term under the existing lease, for the same  
16 land. The commissioner shall approve the application for a new land lease or an  
17 extended term under this section without offering the land to other persons for leasing  
18 if

19 (1) the lessee is in compliance with the terms and conditions of the  
20 existing or holdover lease; and

21 (2) the continued use of the leasehold is consistent with written airport  
22 operation policies and is in the state's best interest.

23 (d) A land lessee owns title to the permanent improvements that the lessee  
24 constructed or purchased during the term of the lease, unless the lease expressly  
25 provides that the state is the owner of the permanent improvements.

26 (e) At the expiration, termination, or cancellation of a land lease entered into  
27 under this section,

28 (1) a lessee who owns the improvements under (d) of this section shall  
29 continue to own the permanent improvements that the lessee constructed or purchased  
30 on a leasehold if the lessee is granted under (c) of this section a new lease or an  
31 extended term for the same land;

1 (2) a lessee may sell the permanent improvements owned by the lessee  
2 to a succeeding lessee of the same land;

3 (3) at the option of the lessee, the permanent improvements owned by  
4 the lessee may be sold by the state at public auction with the proceeds from the sale  
5 of the improvements going to the lessee, less administrative costs of the auction and  
6 obligations owed under the lease to the state; the successful bidder has the same right  
7 to enter into a new lease under (c) of this section without the department offering the  
8 land to other persons for leasing;

9 (4) after notice by the department, the permanent improvements owned  
10 by the lessee shall be removed at the lessee's sole expense if

11 (A) the permanent improvements do not comply with written  
12 airport operational policies or are not in the state's best interest;

13 (B) the permanent improvements are not sold under (e)(2) or (3)  
14 of this section; or

15 (C) the department makes written findings that the permanent  
16 improvements are a hazard to the public health and safety;

17 (5) title to the permanent improvements vests in the department if the  
18 state purchases or otherwise contracts for the ownership of the permanent  
19 improvements, or if the lessee abandons the permanent improvements.

9-LS1769\O  
Bannister  
4/9/96

CS FOR HOUSE BILL NO. 543( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): HOUSE TRANSPORTATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to state airports and air navigational facilities."

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

3 \* Section 1. FINDINGS AND STATEMENT OF PURPOSE. (a) The legislature finds  
4 that

5 (1) it often takes considerable commitment, time, and resources for a lessee  
6 to establish a fully developed revenue-producing business or noncommercial enterprise on  
7 leased land on an airport owned and operated by the state;

8 (2) a developed business or noncommercial enterprise by an airport lessee  
9 produces a stable long-term flow of revenue to the local community and the state in the form  
10 of income from jobs created and taxes paid;

11 (3) a developed business by an airport lessee usually has established a positive  
12 reputation with its clientele that enhances future tourism and commerce in this state;

13 (4) a developed business by an airport lessee is better positioned to generate  
14 more federal passenger entitlement money for the airport and the state;

15 (5) a developed business or noncommercial enterprise on an airport land lease

Part Author.  
Environ.

New & extend air lease  
to improve on leases  
dispos.

1 generally maximizes the use of the airport infrastructure, and this maximization makes the  
2 airport's operation more economical; and

3 (6) providing a right and option to lessees of airport land to continue to lease  
4 the land will encourage and enhance compliance with state law and airport leases, and this  
5 compliance will benefit the overall operations of the state airport system.

6 (b) It is the purpose of the legislature to preserve and establish, for qualifying land  
7 lessees who are in compliance with state law and airport leases, a right, consistent with sound  
8 airport planning, to continue to lease the land in order to continue their businesses and  
9 noncommercial enterprises and in order to promote a strong aviation industry in this state with  
10 long-term benefits to local communities, the airports, and the state.

11 \* Sec. 2. AS 02.15.090 is amended to read:

12 Sec. 02.15.090. OPERATION AND USE PRIVILEGES. (a) In operating an  
13 airport or air navigation facility owned or controlled by the state, the department may  
14 enter into contracts, leases, and other arrangements covering periods not exceeding 55  
15 years with a person, municipality, or the United States, granting the privilege of using  
16 or improving an airport or air navigation facility or a portion of it or space in it for  
17 commercial, governmental, or other public purposes, including private aviation uses  
18 [PLANE TIE DOWN]; or conferring the privilege of supplying goods, commodities,  
19 services, or facilities at an airport or air navigation facility. The department may  
20 establish the terms and conditions and fix the charges, rentals, and fees for the  
21 privileges or services that are reasonable and uniform for the same class of privilege  
22 or service. Charges, rentals, or fees authorized by this subsection may be fixed for the  
23 international airports by order of the commissioner or by negotiated or competitively  
24 offered contract. Notwithstanding AS 37.10.050(a), the fixing of charges, rentals, or  
25 fees as permitted under this subsection is not subject to the adoption of regulation  
26 provisions of AS 44.62 (Administrative Procedure Act). The terms, conditions,  
27 charges, rentals, and fees shall be established with due regard to the property and  
28 improvements used and the expense of operation to the state. However, use of state  
29 land and buildings by the Alaska Wing, Civil Air Patrol and its squadrons shall be  
30 permitted without rental charges. The department shall provide for public notice and  
31 an opportunity to comment before a charge, rental, or fee is fixed by order of the

1 commissioner as permitted under this subsection. The public may not be deprived of  
2 its rightful, equal, and uniform use of the airport, air navigation facility, or a portion  
3 of them.

4 (b) The department may by contract or other arrangement, upon a  
5 consideration fixed by it, grant to a qualified municipality or person for a reasonable  
6 period of time the privilege of operating, as agent of the state or otherwise, an airport  
7 owned or controlled by the state. A municipality or person granted that privilege may  
8 not operate the airport other than as a public airport or enter into any contract, lease  
9 or other arrangement in connection with the operation that the department may not  
10 have undertaken under [(a) ●F] this section.

11 \* Sec. 3. AS 02.15.090 is amended by adding new subsections to read:

12 (c) Notwithstanding the right of the public to rightful, equal, and uniform use  
13 under (a) of this section, the department shall offer the holder of an existing lease of  
14 land entered into under this subsection or (a) of this section a new lease of the same  
15 land <sup>or an extension of the existing lease</sup> if the lessee is in compliance with the terms and conditions of the expiring lease  
16 and if the continued use of the land is consistent with state law sound airport  
17 operations and policies, <sup>AN APPLICABLE APT MASTER PLAN</sup> and otherwise in the best interest of the public. The offer shall  
18 be made for a reasonable period of time before the department offers or leases the  
19 same land to another party or to the general public. The term of the new lease offered  
20 under this subsection may not exceed 55 years. In this subsection, "existing lease"  
21 includes a holdover lease.

22 (d) Ownership of leasehold improvements made under a lease entered into  
23 under this section shall be retained by the lessee who constructed them, by any  
24 successor who purchases them, or by any other lawful successor or assignee of the  
25 lessee. However, in limited circumstances clearly defined by regulations, the  
26 department may acquire ownership by financing the improvements, by purchasing the  
27 improvements, by abandonment by the owner, by condemnation, or by judicial  
28 proceedings.

# Alaska State Legislature

## House of Representatives



### Transportation Committee

## SPONSOR STATEMENT

### HB 543

**"An Act establishing a preference when entering into State airport land leases."**

In the past decade, the Alaskan aviation industry has made significant progress and investment in developing a system which better meets the transportation needs of our vast state. Alaska's aviation system is considerably different than other states.

Regulations have recently been proposed that could have a negative impact on Alaska's aviation industry. The changes suggested may threaten aviation infrastructure in Alaska by discouraging investment and development. Specifically, private aviators stand to lose any physical improvements added to airport structures at the conclusion of their lease. In some cases, the lessees have developed their leasehold to the tune of several thousands of dollars.

This potential loss could foster reluctance by the private sector to continue improving the infrastructure at aviation sites across the state. In addition, aviation operators would be left with no assurances that improvements and investments would be protected through continuing agreements with the state.

The purpose for state involvement in airport management should be to promote, encourage, and develop aviation in Alaska. It is important that airport leasing policy and practice in Alaska remain on a first come/first served basis.

House Bill 543 gives the current lessee preference if they are in compliance with the terms of the existing lease and have made substantial financial investments in developing the land.

**ALASKA COALITION OF AIRPORT USERS****Resolution 95-1****RESOLUTION OPPOSING STATE OF ALASKA DOT/PF'S PROPOSED AIRPORTS REGULATIONS (17 AAC 45 and 17 AAC 40)**

**WHEREAS** the purpose for State involvement in airport management is to promote, encourage, and develop aviation (Alaska Statute 02.15.010); and

**WHEREAS** airport leasing policy and practice in Alaska has fostered this development by means of the first come-first served leasing requirement (Title 17, AAC section 40.320 (c) (1)); and

**WHEREAS** the State's purpose is not profit-oriented, but service-oriented--service to aviation; and

**WHEREAS** the State under AS 002.15.010 should encourage private enterprise and private investment, so that aviation can develop and serve the needs of the community and the State; and

**WHEREAS** Alaskans rely on the aviation industry as their primary transportation source, for persons, mail, food, shelter, health care, and goods and services in general; and

**WHEREAS** in the past decade the Alaska aviation industry has made significant progress and investment in developing a system which better meets the transportation needs of our vast state; and

**WHEREAS** the proposed changes to Title 17 Leasing Regulations threaten to destroy the aviation infrastructure by discouraging private investment and airport and facilities development; and

**WHEREAS** recent policy changes by the Knowles Administration have led the State to abandon the first come, first-served leasing rule--such policy changes having been developed without benefit of fair and open debate; and

**WHEREAS** public testimony during the Governor's Special Commission on Airport Leasing and public response to the rural leasing proposal clearly demonstrates the public's opposition to the proposed regulations and recent policies based on the threats they pose to the aviation industry in Alaska; and

**WHEREAS** the Governor's Special Commission on Airport Leasing recommends the adoption of a leasing policy to include provisions as described in what is commonly referred to as the "Barton Policy"; and

**WHEREAS** the plight of the industry, nationwide as well as across Alaska, is well documented and nearly 120,000 U.S. airline employees have lost their jobs since 1990; and

**WHEREAS** a \$900,000 fiscal note is required for implementation of the proposed regulation changes; and

**WHEREAS** never before has the entire Alaska aviation community been so galvanized in its opposition to policy and regulation changes; and

**THEREFORE BE IT RESOLVED** the undersigned associations, groups, and individuals do hereby request the Knowles Administration to adhere to the purposes set forth in AS 02.15.010 and honor the policies established by previous administrations which support and foster aviation development by private industry, and be it


**FURTHER RESOLVED** the aforementioned parties oppose the adoption of the State of Alaska DOT/PF's Proposed Airports Regulations (17AAC 45 and 17 AAC 40) and any State regulation or policy which increases public control or ownership of existing private aviation businesses and facilities.

RESOLUTION 99-1

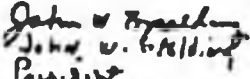
The undersigned oppose the adoption of the State of Alaska DOT/PF's proposed airports regulations 17 AAC 45 and 17 AAC 40:

Kimberly S Daniels  
Kimberly S. Daniels  
Alaska Air Carriers Assn.


Kimberly S. Daniels  
Executive Director  
ALASKA AIR CARRIERS ASSN.

  
Philip K. Livingston, CCIM  
VICE PRESIDENT  
ALASKA AIRMEN'S ASSN.

Philip K. Livingston, CCIM  
Vice President  
ALASKA AIRMEN'S ASSN.

  
John W. Spalding  
President  
ALASKA AIRMEN'S ASSN

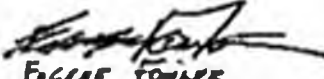
John W. Spalding  
President  
ALASKA AIRMEN'S ASSN.

  
Gene Zerke  
President  
ALASKA AIRCRAFT SALES

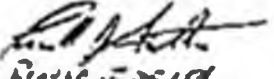
Gene Zerke  
President  
ALASKA AIRCRAFT SALES

Howard Fowler  
Natak Aviation  
Gen. Mgr


Howard Fowler  
General Manager  
NATAK AVIATION

  
EUGENE FOWLER  
NATAK AVIATION  
PO BOX 190000  
Anchorage AK 99519

Eugene Fowler  
NATAK AVIATION

  
Ronald J. Smith  
Investment Group Inc  
P.O. Box 171859  
San Jose CA 95117  
415 734 8000

Ronald J. Smith  
INVESTMENT GROUP INC.

  
Dick Lochner  
Designated Representative  
NORDIC FLYING SERVICE

Dick Lochner  
Designated Representative  
NORDIC FLYING SERVICE

*Richard Wien - Representing airport users  
Fairbanks International Airport Users  
and tenants.*

Richard Wien  
Representing 30 Fairbanks Int'l Airport  
Users & Tenants

*Marvin E. Trimmer N/A Trimmer Aviation  
P.O. Box 91  
Willingham Alaska 99686  
907-275-5724*

Marvin E. Trimmer  
Owner  
TRIMMER AVIATION

*Joe Griffith representing W.E. Brooks Air Cargo Center  
9242 18/rd Rd, Eagle River 99577*

Joe Griffith  
W.E. BROOKS AIR CARGO CENTER

*Michael Petrie  
Chugiak AK 99567*

Michael Petrie  
Chugiak, AK

*Eric E. Johnson  
Eagle River AK 99577-0011*

Eric E. Johnson  
Eagle River, AK

*Alan Damkoebler  
Wasilla AK 99654*

Alan Damkoebler  
Wasilla, AK

*Rodney W. Wiland  
RM Aircraft Services  
Chugiak AK 99567*

Rodney W. Wiland  
RM AIRCRAFT SERVICES

*Stephen W. Anderson  
Arctic Circle Air SVC. Inc.*

Stephen W. Anderson  
ARCTIC CIRCLE AIR SVC. INC.

*Theodore White*  
Theodore White Representing Selk. - Lease Holder  
18927 Man O' War Rd.  
Eagle River, AK 99577

Theodore White  
Eagle River, AK

*Melitta O White*  
Melitta O White  
18927 Man O' War Rd  
Eagle River, AK 99577

Melitta White  
Eagle River, AK

*Stephen W. Anderson*  
Stephen W. Anderson  
Aerone Circle Air Serv. Inc.  
4111 Fairbanks Dr.  
Anchorage, AK 99502 Alaska - Fairbanks, Alaska.

Stephen Bryan  
Anchorage, AK

*Ed Puquette*  
ED PUQUETTE  
Big Lake, AK 99572

Ed Puquette  
Big Lake, AK

*Todd Rust*  
Todd Rust  
Rust's Flying Service, Inc  
PO Box 19025 Anchorage, AK 99519

Todd Rust  
RUST'S FLYING SERVICE, INC.

*Henry B. Rust*  
Henry B. Rust  
Rust's Flying Service, Inc.  
PO Box 19025 Anchorage, AK 99519

Henry B. Rust  
RUST'S FLYING SERVICE, INC.

*David Klosterman*  
David Klosterman  
Alaska Bush Carrier, Inc  
484 Aircraft Dr. 99502

David Klosterman  
ALASKA BUSH CARRIER, INC.

*David Klosterman*  
Lake Hood Leaseholders Assn.

David Klosterman  
LAKE HOOD LEASEHOLDERS ASSN.

*Donald J. Tulip*  
Donald J. Tulip  
Airline Support Inc.  
55 West 3rd Ave #310  
Anchorage AK 99501

Donald J. Tulip  
AIRLINE SUPPORT INC.

## Alaska State Legislature

REPRESENTATIVE  
PETER KELLYMailing Address  
119 N Cushman Suite 203  
Fairbanks, Alaska 99701  
(907) 456-8161State Capitol  
Juneau, Alaska  
99801-1182  
(907) 465-2327

House District 31

## House Of Representatives

August 1, 1995

The Honorable Tony Knowles  
Governor, State of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0001

Dear Governor Knowles,

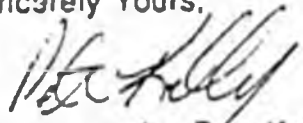
The Interior Delegation is writing to express our concern regarding the regulation package establishing new lease policies on Airport land in Alaska. You have inherited this package of regulations from the Hickel administration, and may not have reviewed the policy consequences of the Department of Transportation's substantial changes in 17 AAC 45.

We believe these changes will severely damage the long term development and maintenance of our Airports. The use of competitive bids to renew private individuals leases, potentially depriving them of their improvements, is particularly egregious. The specter of this policy is already having a traumatic impact on the natural growth and improvement of our existing airports. This Hickel-era proposal may appear to increase short term revenue by leasing to whomever is willing to bid exorbitant rates in order to pirate the improvements of the prior lessee. In practice, it involuntarily deprives individuals of their improvements and directly contravenes Alaska's land use policy under Article VIII, Sections 1 & 16 of the Alaska Constitution.

We also wish to clearly state our continued support for the pre-Statehood policy of first-come, first-served leasing as currently provided under 17 AAC 40.320(c)(1). Overriding this historical policy is simply unjustified.

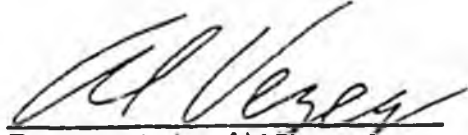
Alaskans rely heavily upon air travel and airports. We believe these regulations create uncertainty among the service providers at our airports, and stand to severely harm the proper functioning of these facilities. Please review these regulations for consistency with your direction and vision for the State.

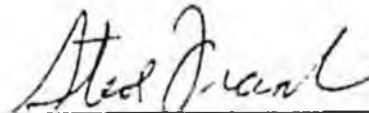
Sincerely Yours,

  
Representative Pete Kelly  
Interior Delegation Chairman

ADOT Regulations.  
Page 2.

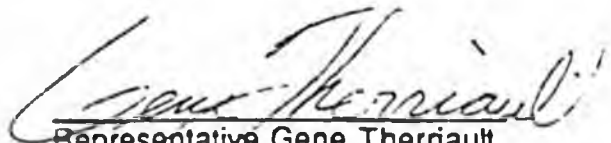
  
\_\_\_\_\_  
Senator Mike Miller  
Chairman Senate Rules


  
\_\_\_\_\_  
Representative Al Vezey  
House Majority Leader

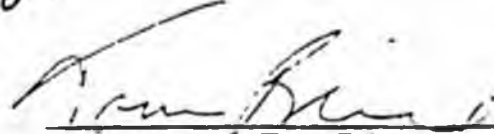
  
\_\_\_\_\_  
Senator Steve Frank  
Co-Chairman Senate Finance

  
\_\_\_\_\_  
Representative Jeanette James  
Chairman House State Affairs

  
\_\_\_\_\_  
Senator Bert Sharp  
Chairman Senate State Affairs

  
\_\_\_\_\_  
Representative Gene Therriault  
Member, House Finance

  
\_\_\_\_\_  
Representative John Davies  
Member Admin. Reg. Review

  
\_\_\_\_\_  
Representative Tom Brice  
Member, House Transportation

cc: Senator Randy Phillips, Chairman Administrative Regulation Review Committee  
Representative Norm Rokeberg, Vice-Chairman, Admin. Reg. Review

# Alaska State Legislature



Official Business  
Fax : (907) 465-3472

Speaker of the House of Representatives

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3720  
(907) 465-2689

August 9, 1995

Dear Rural Airport User:

Recently, I became aware of proposed Department of Transportation and Public Facilities (DOT) regulations which may affect your operations as a rural airport user. The proposed regulations have been under consideration since last year; however, changes made following last year's public comment period have prompted the agency to reissue the proposed regulations for additional public review.

DOT is proposing to amend 17 AAC 40 so that it will apply only to the Anchorage and Fairbanks International Airports. At the same time, DOT is proposing to adopt a new chapter to the administrative code, 17 AAC 45, regarding operation and management of rural airports.

Some of the provisions in the proposed regulations for rural airports are similar to those in existing 17 AAC 40. However, significant new elements which require your careful review include provisions:

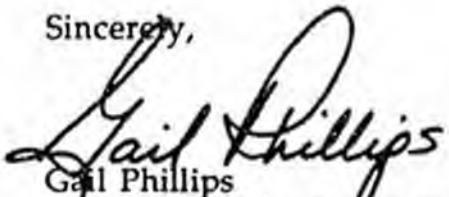
- \* imposing commercial passenger vehicle fees and requiring airport use permits;
- \* imposing aircraft parking fees and establishing rules for aircraft use of airport facilities;
- \* addressing environmental issues;
- \* revising airport land rental rates;
- \* establishing competitive lease award procedures;
- \* increasing filing fees for lease related applications; and
- \* expanding regulations for setting lease terms.

Copies of the proposed regulations were mailed by DOT to an extensive list of airport users early in July. If you did not receive a copy of the proposed regulations, one can be obtained by contacting Stephen Pavish, Statewide Leasing Coordinator for DOT, at (907)266-1666. I also have copies of the proposed regulations which I would be happy to provide for your review.

After you have had an opportunity to review DOT's proposed regulations, please let me know how they may affect your operations. Kyle Parker of my staff has been working with me on this issue. Kyle can be reached at (907)258-8164.

Please note that written comments on the proposed regulations must be submitted to DOT by 4:30 PM on August 25, 1995. I urge your prompt attention to this matter.

Sincerely,

  
Gail Phillips  
SPEAKER OF THE HOUSE

cc Stephen Pavish



# Era Aviation, Inc.

August 25, 1995

VIA TELECOPIER, No. 243-1512  
(Hard copy via mail.)

Mr. Stephen L. Pavish  
Statewide Leasing Coordinator  
Department of Transportation and Public Facilities  
Statewide Aviation  
P.O. Box 196900  
Anchorage, Alaska 99519-6900

Ref: Rural Airports Proposed Regulations (17 AAC 45); Notice Dated  
July 7, 1995.

Dear Mr. Pavish,

Era is responding to the Department's Notice, dated July 7, 1995, "Rural Airports Proposed Regulations (17 AAC 45)" (the "Notice").

These Proposed Regulations should be scrapped in their entirety, and the State should start over again – this time from the perspective that the State holds airport lands in trust for the benefit of the citizens of Alaska.

The Department has solemn duties to foster and promote air transportation. These include responsible stewardship of airport lands owned by the State. The Proposed Regulations are everything but responsible. They are devoid of common sense or reasonable balance. They are onerous to the extreme for users, and terribly one-sided in favor of Department personnel. "At the discretion of" (the department, the commissioner, the airport manager) must appear well over a hundred times.

All parties should readily agree that safe, reliable air transportation is crucial for the health and welfare of Alaskans. All parties should also readily agree that sound, stable and commercially reasonable airport land use policies are essential for continued growth and development of air transportation in Alaska. We at Era commit to assisting in developing such policies.

Mr. Stephen L. Pavish  
page 2 of 4

There are three "lifeblood" issues that are of particular concern to us in these Proposed Regulations: (i) Lease Renewals; (ii) Ownership of Leasehold Improvements; and (iii) Environmental Liabilities and Other Unreasonable Lease Terms and Conditions.

Some renewal preference must be given to existing leaseholders who have fully and faithfully performed their lease obligations. The current provisions of 17 AAC 40.320(c) are a good place to start. On the other hand, proposed 17 AAC 45.305(d) states that renewal would be discretionary, and proposed 45.305(h) provides that the Department may "in its discretion" reject a renewal application and offer the lease "at public auction, sealed bid, or competitive proposal." The idea of going to competitive bid is unwise, and would lead to all manner of mischief.

The State holds these lands in trust for the common welfare; it is entitled to recover only fair and reasonable rents, related to costs of state maintenance and state improvements. The State should not be allowed to profiteer in cases of competing applications. Nor should one competitor be allowed to drive out another at renewal time, or bid the other's land rents above those of his neighbors. We have heard the arguments from State personnel that the Alaska Constitution somehow prevents reasonable renewal policies - we remain unpersuaded.

We take little comfort in the "appeal rights" under proposed 45 AAC 45.910 for redress of State wrongs in cases of "denial or rejection of an application or the cancellation or termination of a lease ...". It states only that, "The regional director or his designated appeals person will, *in that person's discretion*, hold a hearing to consider the appeal ...." (Emphasis added.)

Reasonable provisions must be made for the leaseholder to retain ownership interests in leasehold improvements. Again, mischief would result were it otherwise: There would be no incentive to erect quality structures, or to maintain them - no incentive to create or maintain quality businesses, and jobs, at State airports. Again, the State should not be allowed to profiteer at the expense of leaseholders and other citizens by laying claim to these improvements.

The idea of set schedules for lease terms or renewal terms based on dollar values of new improvements is artificial and unworkable (proposed 45 AAC 45.310). Many factors other than new investment are important in

Mr. Stephen L. Pavish  
page 3 of 4

determining appropriate lease terms. As just one example, costs to preserve and maintain improvements are as important as new investment.

Reasonable renewal rights and retention of ownership rights are related and vitally important in at least one other respect: Financing for new investments, refinancing, and the related creation and retention of jobs would not be possible without these rights.

Of course, reasonable renewal rights and ownership rights mean nothing if the leaseholder may be driven from the airport (or into bankruptcy) "at the discretion of the department" by unreasonable environmental liability regulations, imposed "in its discretion" (e.g., proposed 45 AAC 45.055 and 45.020). Under proposed 45 AAC 45.020, if some "other hazardous substance" is spilled, the Department may "in its discretion, respond to or perform the cleanup"; and "the person responsible for the spill is liable to the department for all associated costs, including clean up costs, legal fees, and interference with airport operations." (Emphasis added.) This could ruin a citizen, and his business, even if he were only slightly responsible, the State was more at fault, and the State was completely unreasonable in responding, conducting clean up, incurring legal fees, and failing to ameliorate interference with airport operations. There is no valid reason for the State to include overbearing environmental requirements in these regulations; the State's legitimate interests are sufficiently protected simply by relying upon the other environmental laws, as in effect from time to time.

Apart from environmental matters, the lease documents should contain commercially reasonable terms and conditions throughout. The State should not be allowed to abuse its monopoly powers over airport lands to inflict unreasonable terms on tenants. As examples, in the past we have seen provisions where a leaseholder is asked to hold the State harmless from the State's own wrongdoing, or forced to comply with unreasonable State requests by threats of selective enforcement. Sound public policy and common sense require that all lease terms and conditions be fair and reasonable - to landlord and tenant alike.

We turn to rates and fees. Most of these have been debated for years and years. The Department has heard the valid arguments time and time again. These proposed rates and fees are not at all well considered. We suggest the Department take a fresh look at all these rates and fees, and propose only those which can be credibly defended as "reasonable and uniform" (AS § 02.15.090).

Mr. Stephen L. Pavish  
page 4 of 4

Our comments have been limited due to the press of time. The Notice contains over 100 pages. The Notice period has, once again, been scheduled during most Alaskans' busiest time of the year. We are all working long hard hours to meet the needs of our customers and the special challenges of providing air transportation in Alaska. We cannot comment in detail on these Proposed Rules in the short time allowed. We urge the Department to extend the comment period by at least 90 days.

Moreover, we suggest the Notice may be invalid under the Executive Order signed by Governor Knowles June 5, 1995. (Anchorage Daily News, June 6, 1995, page B4.) We do not see the requisite "clear and concise language" or "consideration of costs". We do not see any explanation for "what and how the rules are being changed as well as why".

As a closing matter: The Department, (as well as the Commissioner's Special Commission on Airport Leasing Policy, for ANC and FAI), knows well of the considerable efforts from last year and before to address these same leasing policy issues. Countless days and hours of hearings and meetings have already been held. Much time has already been spent analyzing and debating legitimate concerns. The Department should make good use of the fruits of these previous labors, giving due consideration to facts already developed and evaluations already made. In particular, the Department should seek the counsel of the former State officials involved, and give special consideration to the Memorandum dated August 26, 1994, from the Deputy Commissioner to the Commissioner, on the subject of, Aviation Leasing Policy.

If you have any questions, please do not hesitate to call.

Sincerely,



Jack Birmingham  
Vice President

FEB 13 1996



SERVING GENERAL AVIATION 40 YEARS (1951-1991)

U of A Aviation Complex  
1515 East 13th Avenue Anchorage, Alaska 99501-4814  
907 272-1251 — 24 Hour Phone/Fax

COPY

FEBRUARY 6, 1996

REP RICHARD FOSTER  
ALASKA STATE LEGISLATURE  
State Capitol Room 410  
JUNEAU AK 99801-1182

443 2162

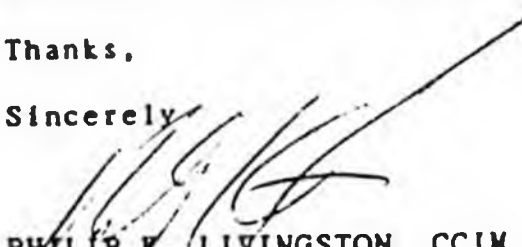
REF: ALASKA AIRMEN'S ASSOCIATION LETTER  
TO REPRESENTATIVE GAIL PHILLIPS  
2/6/1996 REQUESTING LEGISLATIVE ACTION  
(17 ACC 40/45)

In the interest of eliminating further debate on the issue at the administrative level, The Alaska Airmen's Association requests that the legislature provide direction to DOT/PF by amending AS 02.15.090 to grant a lease renewal preference.

The Alaska Airmen's Association Inc. would appreciate your help.

Thanks,

Sincerely,



PHILIP K. LIVINGSTON, CCIM  
VICE PRESIDENT  
ALASKA AIRMEN'S ASSOCIATION INC.

cc: ltr Rep Gail Phillips 2/6/96



**SERVING GENERAL AVIATION 40 YEARS (1951-1991)**

U of A Aviation Complex  
1515 East 13th Avenue Anchorage, Alaska 99501-4814  
(907) 272-1251 — 24 Hour Phone/Fax

FEBRUARY 6, 1996

THE HONORABLE GAIL PHILLIPS  
SPEAKER OF THE HOUSE  
STATE CAPITOL, ROOM 208  
JUNEAU, ALASKA 99801-1182

REF: LETTER OF 1/16/1996 FROM  
COMMISSIONER JOSEPH L. PERKINS, P.E.  
(17 ACC 40/45)

REPRESENTATIVE PHILIPS:

Contrary to Commissioner Perkins' assertions, the concerns of the aviation community are not based on "false assumptions".

Although the proposed rural airport regulations have been under consideration for over two years, DOT/PF has still not developed a sound leasing policy that will encourage investment and protect aviation businesses in Alaska.

The Commissioner does not address the real question: will adopting a policy granting leaseholders a renewal preference on their leases help maintain a stable business environment and thereby encourage long term investment in the aviation industry?

The answer to that question is obviously YES. This answer was reached by both former DOT/PF Commissioner Barton and the Special Commission on Airport Leasing.

Further, there has been no concern shown by the department for either:

1. The costs to the state associated with managing an increasing inventory of obsolete and poorly maintained forfeit leaseholder properties.

2. The ability of leaseholders to sell capital improvements or business interests deprived of their leasehold.

In the interest of eliminating further debate on the issue at the administrative level, The Alaska Airmen's Association requests that the legislature provide direction to DOT/PF by amending AS 02.15.090 to grant a lease renewal preference.



Page 2

Renewal preferences are granted under Title 38 in instances in which the state seeks to encourage investment in public lands.

Lease renewal preferences have been enacted in a number of statutes governing the leasing of lands by the Department of Natural Resources (DNR) under Title 38, including AS 38.05.102 (leasing of lands other than for the extraction of natural resources), AS 38.05.073 (g) (leasing of land for recreation facility development), AS 38.05.079 (d) (leasing of remote cabin sites) and AS 38.05.083 (a) (leasing of tidelands for aquatic farming and hatchery sites).

Shore fisheries leases for set gill nets are not awarded by competitive bid, but to the most qualified applicant, and may be extended. See AS 38.05.082 (b) and (d), AS 38.05.102, and 11 AAC 64.391.

Unless it is the conclusion of DOT/PF that the above leasing preferences are invalid, airport lessees who make improvements should be afforded the same kind of protection as other users of public lands.

Any concern on the part of DOT/PF or the Department of Law that a lease renewal preference would violate the equal protection provisions of the Alaska constitution is unfounded. The statutes governing renewal of DNR leases were approved by the Department of Law and have not been challenged on constitutional grounds.

The Department of Law has advised DOT/PF that no statute currently authorizes DOT/PF to give a preference right for lessees to renew their leases. This advice is based on the language of AS 02.15.090 (a), which provides in relevant part: "[i]n no case may the public be deprived of its rightful, equal and uniform use of the airport." The Department of Law interprets this language to mean that airport leases may not be renewed without being subject to competing applications. A further extension of that idea is that under equal protection requirements airports must treat "all similarly situated" persons equally.

We question whether the Department of Law's interpretation of AS 02.15.090 (a) is correct and suggest that an investor with substantial capital improvements or established business interests at risk is not "similarly situated" as a newcomer in a competitive bid.



Page 3

As stated above, The Alaska Airmen's Association requests that the legislature provide direction to DOT/PF by amending AS 02.15.090 to grant a lease renewal preference.

I have enclosed draft language that could be incorporated into a bill to confirm that lessees who have invested in improvements at rural airports shall be granted a renewal preference at the expiration of their leases, and that improvements constructed by lessees shall remain the property of the lessees.

Thank you for your support.

Sincerely

JOHN SPALDING  
PRESIDENT  
ALASKA AIRMEN'S ASSOCIATION

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

February 21, 1996

**SUBJECT:** Airport and set-net leasing policies (Work Order 9-LS1596)

**TO:** Representative Beverly Masek  
Attn: Dave

**FROM:** *TB*  
Theresa Bannister  
Legislative Counsel

This memo responds to several questions that you have asked regarding state airport land leases and set-net leases.

1. Do both the regulations and statutes governing airport leases require the Department of Transportation and Public Facilities to follow a policy of re-offering state airport land leases on an impartial basis? You have provided a copy of a June 21, 1995, memo from the Attorney General to the Commissioner of the Department of Transportation and Public Facilities ("DOT/PF") that discusses whether DOT/PF must re-offer airport leases on an impartial basis. I have reviewed the memo in light of your question. It is my understanding that you are concerned about whether DOT/PF can give a current lessee of state airport land a preference when offering the land for a lease at the end of the current lease.

A. Statutes. Although not stated as clearly as it could be on this specific point, the statutes that govern the leasing of state airport land appear to require DOT/PF to offer new leases on an impartial basis and without a preference for the current lessee. There are two main reasons for this conclusion. They are (1) there is no preference expressly provided by the governing statutes for the current lessee, and (2) the statutory leasing provisions contain general language that could be interpreted to require that the leases be offered on an impartial basis.

(1) No preference provided. To give a preference to the existing lessee, DOT/PF must have some form of authority to do so. The authority can be express or implied. The leasing of state airport land is governed by AS 02.14.090.<sup>1</sup> AS 02.15.090 does not contain any

---

<sup>1</sup>The leasing of state airport land is generally not covered by the state procurement code (see AS 36.30.850(b)(8)) or by the state lands act (see AS 38.05.030(d)).

language expressly directing DOT/PF to give a preference to current lessees when offering the land for a new lease.

On the other hand, the department is given express authority under AS 02.15.090(a) to establish terms and conditions for the leases and under AS 02.15.020 to adopt regulations to implement its other powers. These authorizations could conceivably be interpreted to include reasonable preferences necessary to carry out the leasing. However, in this case, this possibility seems unlikely since AS 02.15.090(a) also contains general language that requires equal access and uniform treatment.

(2) General language requiring equal access and uniform treatment. AS 02.15.090(a) contains two expressions relating to equal and uniform treatment. The most significant reads

The public may not be deprived of its rightful, equal, and uniform use of the airport, air navigation facility, or a portion of them.

The interpretation of this sentence is not clear, and there is not much legislative history on it. If it were interpreted to require lessees to keep their leased premises and services open to the public, then the sentence would not act as a limitation on DOT/PF's authority on reoffering leases. However, the sentence can also be read to require that the actual leasing procedures must be on an equal and uniform basis. It is not clear which interpretation would prevail.

The second provision reads:

The department may establish the terms and conditions and fix the charges, rentals, and fees for the privileges or services that are reasonable and uniform for the same class of privilege or service.

Once again the interpretation is not clear and there is not much legislative history on it. It is not clear whether the clause "that are reasonable and uniform for the same class of privilege or service" only modifies "terms and conditions." If it does, then the authority to establish terms and conditions does not include the authority to give preferences. If it does not, then only the charges, rentals, and fees must be uniform within the same class, and there is more room in the terms and conditions to include reasonable preferences necessary for the leases. Notwithstanding this, the phrase does allow for some differences among the categories of leases offered. As with the other sentence, it is not clear which interpretation would prevail.

(3) Conclusion. Although the statutes are not explicit, it appears that without an express provision of preference, and in light of the language in AS 02.15.090(a) speaking to equality and uniformity, the better interpretation is that the statutes seem to require that airport land leases be offered on an impartial basis, at least within the same categories.

Representative Beverly Masek

February 21, 1996

Page 3

B. Regulations. The regulations governing the granting of state airport land leases require impartial reoffering of leases in some cases, allow impartial offerings in others, and are somewhat contradictory in other cases. Except to the extent that they give priority to certain uses of the land, the regulations do not provide an express preference for current lessees to re-lease the land.

With regard to lease offerings, there is a general requirement of impartiality. 17 AAC 40.320(c) recites the requirement of impartiality found in AS 02.15.090(a) by stating: "Uniform and Equal Rights. Leases or privileges will be granted on a uniform and equal basis." However, this statement of policy is made subject to certain significant and somewhat confusing provisions.

The first significant provision is that leases for aviation functions and leases for auxiliary functions are to be granted on a "first come-first served" basis (17 AAC 40.320 (c)(1) - (2)) unless public auction or competitive proposals are (1) required by law or (2) DOT/PF determines them to be in the best interests of the public. Notwithstanding this, if the land is available and not needed for aviation use, public auction is to be used for leases for leases for auxiliary functions. Finally, a public auction is required for nonaviation leases. (17 AAC 40.320(c)(3), (8)(C)).

It is not clear what is meant by the "first come-first served" requirement. It is possible that this provision could be interpreted to provide a preference for current lessees, since they would certainly qualify as arriving first. However, as discussed in section I of this memo, the governing statutes may not provide the authority to extend a preference to current lessees; if they do not, then they cannot authorize a regulation to do so, since under AS 44.62.020 a regulation must be within the scope of authority conferred and in accordance with the statutory standards. The renewal provision in 17 AAC 40.360(13) does not establish a preference for the current lessee, and pretty much leaves DOT/PF free to grant or reject the renewal request.<sup>2</sup> Unless "first come-first served" is interpreted to create a preference for current lessees, the regulations do not appear to provide for a lessee's preference.

---

<sup>2</sup>17 AAC 40.360(13) reads as follows:

(13) At the expiration of the term of the lease, if the lessee desires a renewal, he shall within 30 days before the expiration make application in writing for a renewal, stating the purpose for which he desires a renewal and such other information as the lessor may require. The lessee shall deposit with such application the sum equivalent to 100 percent of the next rental payment which will be due if the lease is renewed. Such application, when fully conforming to the requirements herein stated, will extend the lease until such time as the lessor gives written notice to the lessee that the

(A) request for renewal has been granted;

(B) request for renewal has been rejected, stating the reasons for such rejection; or

(C) lessor has determined it to be in the best public interest or is required by law or regulation to offer the lease at public auction.

Representative Beverly Masek

February 21, 1996

Page 4

The only preference created by the regulations appears to be for the type of function. If there are two or more applications for the same land for different classes of use, aviation functions<sup>1</sup> are given priority over auxiliary functions,<sup>4</sup> and both aviation functions and auxiliary functions have preference over nonaviation functions.<sup>5</sup> (17 AAC 40.320(c)(5)).

In addition to the above provisions, there is a requirement that a public auction is required when two or more persons apply for the lease. (17 AAC 40.320(c)(8)(C)). It is one of the provisions to which the uniform and equal rights provision referred to above is made subject. However, in light of the specific provisions in 17 AAC 40.320(c)(1) - (3), including the "first come-first served" provisions, it is not clear just when and how this provision is intended to be used. I cannot say whether this provision is as broad as it sounds.

Therefore, as you can see, although the regulations governing state airport land leases appear to generally approach leases in an impartial manner, there is an existing "first come-first served" provision that appears to contradict this approach and that is not clear as to its application. I do not believe, in light of the governing statutes, that this provision would be interpreted to provide a preference to existing lessees.

2. If the statutes and regulations governing state airport land leases require DOT/PF to follow a policy of reoffering state airport land leases on an impartial basis, why aren't shore-based commercial set net fishing site leases administered under the same impartial policy?

As stated above, the state airport land lease provisions do not seem to provide a preference to current lessees when offering the leases. Commercial shore-based set net fishing site leases do provide a preference to current lessees. The reason for this apparent inconsistency in the handling of state leases is that the granting of shore-based set net leases are governed by a different set of statutory provisions, and these provisions include an express preference for current lessees.

The preference for current lessees is authorized by AS 38.05.102. That section reads as follows:

Sec. 38.05.102. LESSEE PREFERENCE. If land within a leasehold created under AS 38.05.070 - 38.05.105 is offered for sale or long-term lease at the termination of the existing leasehold, the director may, upon a finding that it is in the best interest of the state, allow the holder in good standing of that leasehold to purchase or lease the land for its appraised fair market value at the time of the sale or long-term lease.

---

<sup>1</sup>"Aviation function" is defined at 17 AAC 40.320(b)(1).

<sup>4</sup>"Auxiliary" functions are defined at 17 AAC 40.320(b)(2).

<sup>5</sup>"Nonaviation" functions are defined at 17 AAC 40.320(b)(3).

Representative Beverly Masek

February 21, 1996

Page 5

As you can see, the preference is based on a finding by the director of the Division of Lands in the Department of Natural Resources that releasing to the current lessee is in the best interest of the state. The regulation that interprets this statutory preference reads as follows:

11 AAC 64.391. EXTENSION OF LEASE. 90 days before the expiration of a valid lease, the lessee may request an extension of the lease. The director will, in his or her discretion, extend the lease for a period of up to 10 years if no changes in site or tract location have occurred, the beach has remained stable, the lease is in good standing with the department, the lessee remains qualified under 11 AAC 64.230, and no protest of the extension is received. A nonrefundable filing fee, as established by the department's approved fee schedule, must accompany a request for an extension.

These provisions provide the necessary authority to provide the preference as long as they do not violate the federal equal protection requirements under the 14th amendment to the federal constitution) or the state's equal protection requirements (art. I, sec. 1, Constitution of the State of Alaska).

Since this would probably be considered economic legislation and since federal courts apply a minimal rational basis standard to such economic legislation, the provision will not present a federal equal protection problem if the classification is rationally related to a legitimate state interest. Since I am not familiar with the reasons behind this preference I cannot determine whether the preference is meeting this goal. However, the federal courts generally defer to the legislature's determinations as to the desirability of particular statutory discriminations. Since this does not appear to be a suspect classification or to affect fundamental personal rights, it is unlikely that the provision would be overturned under the federal equal protection provision. See Commercial Fisheries Entry Com'n. v. Apokedak, 606 P.2d 1255, 1263-1264 (Alaska 1980).

With regard to the state's equal protection provision, the preference would probably be subject to a low level of scrutiny, since this preference deals with legislation of economic and commercial interest. See Herrick's Aero-Auto-Aqua Repair v. State, Department of Transportation, 754 P.2d 1111, 1114 (Alaska 1988) and Isakson v. Rickey, 550 P.2d 359, 363 (Alaska 1976). Although it is possible that the interest would be considered as more important and requiring a more stringent level of scrutiny by the court (see State v. Enserch Constr. Inc., 787 P.2d 624, 632 Alaska 1989), Enserch directly involved actual employment, which is not the case here. Under a low level of scrutiny, the court would use the rational basis test. The rational basis test questions whether the classification is "reasonable, not arbitrary" and rests "upon some ground of difference having a fair and substantial relation to the object of the legislation." Isakson, 550 P.2d at 362. Essentially, there must be a rational basis for allowing a preference for the current lessee. I do not have enough information on the parameters and reasons for the preference that you are interested in to provide you with a conclusion whether the preference provision would meet this standard.

Representative Beverly Masek

February 21, 1996

Page 6

3. If the statutes and regulations allow the state to treat shore-based set net site leases differently, can DOT/PF change its regulations to do the same or must the legislature change the statutes? In my opinion, it would be advisable and probably necessary to amend the applicable statutes rather than the regulations. As indicated in question 1 above, although there is broad regulatory authority given to DOT/PF for establishing the terms and conditions of leases and other aspects of the airport land leases, there are two express statements in AS 02.15.090(a) that require uniformity and equality. These statements seem to prevent DOT/PF from providing a preference for current lessees in regulation. Therefore, I recommend that you amend the statutes.

4. What changes would be needed if they are required in statute? The changes needed to establish the preference are enactment of language that (1) establishes the preference that you want, and (2) clarifies that the references in AS 02.15.090(a) to uniformity and equality are subject to the new preference. You may want to use AS 38.05.102 as a jumping-off point for starting to design your section. In addition, the language (and reasons behind the preference) must satisfy, to the extent foreseeable and feasible, equal protection requirements.

I do not have enough information on the parameters and reasons for the preference that you are interested in to provide you with a conclusion whether the preference provision would meet the equal protection standard. If you can provide me with this information, I could review it for you.

5. Draft of changes. As indicated above, I do not have very much information on the parameters and reasons for the preference that you are interested in. If you can provide me with the necessary information, the language can be drafted for you.

If I may be of further assistance, please advise.

TLB:glc  
96-106.glc

(7)  
Date Referred to Committee: March 14, 1996

HOUSE COMMITTEE REPORT  
FURTHER REFERRALS:

Date of Committee Action: 4/3/96

The TRANSPORTATION Committee considered:

HB 543

HOUSE BILL NO. 543

STATE AIRPORT LAND LEASE PREFERENCE

"An Act establishing a preference when entering into state airport land leases."

recommends it be replaced with the following committee substitute CS HB 543 (TRA)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) \_\_\_\_\_

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>W. B. William</i>	<input checked="" type="checkbox"/>			
<i>Ann Brice</i>			<input checked="" type="checkbox"/>	
<i>Annestay James</i>			<input checked="" type="checkbox"/>	
<i>Harry L. Lee</i>	<input checked="" type="checkbox"/>			
<i>John Sanders</i>			<input checked="" type="checkbox"/>	

CHAIR'S SIGNATURE *Harry L. Lee*

HCR

9



# Alaska State Legislature

## House of Representatives



### Transportation Committee

## SPONSOR STATEMENT

### HCR 9

#### Relating to Alaska School Bus Driver Appreciation Day.

House Concurrent Resolution 9 acknowledges the dedication and efforts by the many school bus drivers across the state. Most of us encounter school bus drivers consistently throughout the school year. It is our hope that this resolution will serve as a constant reminder to all Alaskans of the tremendous responsibility we have entrusted them with.

9-LS0612AF  
Utermohle  
2/14/95

**CS FOR HOUSE CONCURRENT RESOLUTION NO. 9(TRA)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**NINETEENTH LEGISLATURE - FIRST SESSION**

**BY THE HOUSE TRANSPORTATION COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): HOUSE TRANSPORTATION COMMITTEE**

**A RESOLUTION**

**1 Relating to Alaska School Bus Driver Appreciation Day.**

**2 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

**3 WHEREAS** approximately 800 school bus drivers are on the roads of Alaska every  
**4** school day throughout the year beginning about 6:00 a.m.; and

**5 WHEREAS** these school bus drivers are trained professionals to whom we entrust the  
**6** safety and well-being of our most important resource, our children; and

**7 WHEREAS** our school bus drivers are completely in charge of the bus and the students  
**8** during their rides to and from school; and

**9 WHEREAS** school bus drivers are often called on to make decisions that affect the health  
**10** and safety of their passengers, sometimes in life-threatening situations; and

**11 WHEREAS** our school buses transport approximately 46,750 students each day and this  
**12** transportation during a year covers more than 7,400,000 miles; and

**13 WHEREAS,** in snow, sleet, rain, and storms, we depend on our school bus drivers to  
**14** deliver our students safely; and

**15 WHEREAS** we wish to express our sincere appreciation to each and every Alaska school  
**16** bus driver and recognize them for their important contribution to the education of our children;

1           **BE IT RESOLVED** that the Alaska State Legislature designates the first Friday in May  
2 as "Alaska School Bus Driver Appreciation Day"; and be it

3           **FURTHER RESOLVED** that the legislature respectfully requests the governor to  
4 proclaim the first Friday in May of each year as "Alaska School Bus Driver Appreciation Day."



## Alaska School Bus Safety Committee

---

February 8, 1995

Representative Gary Davis  
Rm 15 State Capitol  
Juneau, AK 99801-1182

Dear Representative Davis:

On behalf of the Alaska School Bus Safety Committee, I would like to extend our support of HCR #9 relating to Alaska School Bus Driver Appreciation Day.

School bus drivers hold one of the toughest jobs in the state while receiving very little recognition for their efforts. It is certainly not the hourly wage that keeps good drivers returning year after year! Like the mailman, they perform their duties come rain, sleet or snow, and (unlike the mailman) they do it with their backs to as many as 80 young people at one time. They are on the job as early as 5:00 am in the morning, greeting our young people and giving them safe transport to school.

Those of us in the school bus transportation business appreciate the State's recognition of our bus drivers and their contribution to the health and well-being of our most precious commodity. Thank you for your efforts.

Sincerely,

Penny Little  
Alaska School Bus Safety Committee

Letter of Support

*"School Bus Safety Is A Lifetime Reward"*

# Alaska State Legislature



Official Business  
Fax: (907) 465-3472

Speaker of the House of Representatives

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-3720  
(907) 465-2689

**STATEMENT IN SUPPORT OF HCR 9**  
**SCHOOL BUS DRIVER APPRECIATION DAY**  
**by REPRESENTATIVE GAIL PHILLIPS**

I would like to lend my support to the passage of HCR 9 by this committee. This resolution establishes a special day for us all to recognize the many contributions school bus drivers make to our society. These individuals have been relied upon by those of us with children for many years; and, to my knowledge, no formal recognition of their efforts has ever been made.

As the resolution states, we count on these drivers, no matter what the weather, to transport our children to school. We are entrusting them with the safety and welfare of our children on a daily basis. Without them, each of our lives would be much more complicated, many more trips by individual parents would be made to transport our children to school, and - no doubt, many accidents would ensue just because of the increased number of miles traveled.

Frequently we do not take the time to acknowledge these individuals, and I think our doing so is long past due. Again, I urge your passage of this resolution to allow us all the opportunity to thank our school bus drivers.

**HCR**

**29**

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. CS HCR 29 (TRA)

Revision Date: 3/7/96 Dept. Affected: DOT&PF  
 Title: Student Contest to Name New Ferry BRU: Office of the Commissioner  
 Component: Commissioner's Office  
 Sponsor: Representative Williams  
 Requestor: House Transportation COMPONENT SERIAL NO. 530

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
-----------------------------	------------	------------	------------	------------	------------	------------

<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
-------------------------------	------------	------------	------------	------------	------------	------------

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

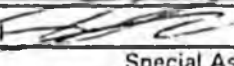
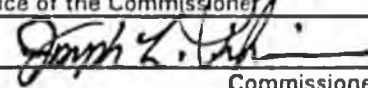
**POSITIONS**

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

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

This resolution would have no appreciable fiscal impact on the Department of Transportation and Public Facilities. The department supports the concept of establishing a contest to name the new marine highway vessel.

Providing travel for the contest winner will result in a real cost to the department. However, we believe that the one time travel cost could be funded by the department in order to provide the contest winner with the once in a lifetime opportunity to participate in the inaugural voyage of the new vessel.

Prepared by: Sam Kito III  Phone: 465-3900  
 Special Assistant  
 Division: Office of the Commissioner Date: 3/7/96  
 Approved by: Joseph Z. ...  Date: 3/7/96  
 Commissioner  
 Agency: Department of Transportation and Public Facilities

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**  
 For further distribution information, call the Governor's Legislative Office

**CS FOR HOUSE CONCURRENT RESOLUTION NO. 29(TRA)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**NINETEENTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE TRANSPORTATION COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVE WILLIAMS**

**A RESOLUTION**

1 Providing for a contest among the elementary school students of Alaska to name  
2 the new ferry of the Alaska marine highway system.

3 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **WHEREAS** the Alaska State Legislature approved a ballot initiative to create the  
5 Alaska marine highway in 1960; and

6 **WHEREAS** the people of the State of Alaska approved the initiative, thus creating the  
7 Alaska marine highway system; and

8 **WHEREAS** the Alaska marine highway system began service in 1963 to meet the  
9 transportation needs of the state; and

10 **WHEREAS** today the Alaska marine highway system employs over 860 Alaska  
11 citizens from 37 different communities; and

12 **WHEREAS** the Alaska marine highway system directly or indirectly accounts for over  
13 1,290 jobs in the state; and

14 **WHEREAS** the state economy realized a 590 percent return on the state's 1994  
15 general fund investment in the Alaska marine highway system; and

16 **WHEREAS** the Alaska marine highway fleet includes eight ships serving 34 ports,

1 providing direct access to more than 100,000 Alaskans; and

2       **WHEREAS** the Alaska marine highway system provides important economic, social,  
3 and cultural links between communities in Alaska; and

4       **WHEREAS** the maritime vessels of the Alaska marine highway system are, by law,  
5 to be named after glaciers in the state; and

6       **WHEREAS** researching glaciers will give elementary school students of Alaska an  
7 opportunity to learn the geography of the state; and

8       **WHEREAS** the above exercise will enhance the students' understanding of the role  
9 of the Alaska marine highway system in the state's interdependent transportation system; and

10       **WHEREAS** the Alaska marine highway system will christen a new ocean-going vessel  
11 in 1998;

12       **BE IT RESOLVED** that the Alaska State Legislature respectfully requests the  
13 governor to direct the commissioner of transportation and public facilities to establish an  
14 impartial jury to select potential names for the new vessel from among the names of glaciers  
15 submitted by elementary students and forward its recommendations to the legislature; and be  
16 it

17       **FURTHER RESOLVED** that the Alaska State Legislature encourages the elementary  
18 students of the state to submit their favorite glacier name to the Alaska Department of  
19 Transportation and Public Facilities; and be it

20       **FURTHER RESOLVED** that the legislature will decide which of these  
21 recommendations will be used to name the new Alaska marine highway system vessel; and  
22 be it

23       **FURTHER RESOLVED** that the Alaska State Legislature respectfully requests the  
24 governor to provide a free ride on the inaugural voyage of the new vessel to the student who  
25 submits the name that is selected by the legislature as the name for the new vessel.

# Alaska State Legislature



Representative William K. Williams

*During Session:*  
State Capitol  
Juneau, AK 99801-1182  
(907) 465-3424  
Fax (907) 465-3793

*In Ketchikan:*  
352 Front Street  
Ketchikan, AK 99901  
(907) 247-4672  
Fax (907) 225-8546

Committees:  
House Resources  
Co-Chairman  
World Trade &  
State Federal Relations  
Transportation  
Rules  
Oil & Gas

## Sponsor Statement

### House Concurrent Resolution Number 29

HCR 29 was introduced to encourage the participation of elementary students across the state in naming the new Alaska marine highway vessel.

Vessels of the Alaska marine highway system are, by law, required to be named after glaciers in the state. With the introduction of this resolution I hope to involve the elementary students of Alaska in this process. This will give teachers in the state a vehicle to implement lessons about transportation systems in the state, geography of the state and the legislative process.

The information contained in the resolution outlines the importance of the Alaska marine highway to the state economy. The christening of a new vessel illustrates the continuing dedication to the system by the state. Because the Alaska marine highway impacts the economy of the entire state, I believe it is important to involve the entire state in the naming of this new vessel. I encourage you to support this legislation.

# The Economic Benefits of the Alaska Marine Highway System

---

## Executive Summary

### Statewide Impacts

- In return for the State of Alaska's \$29 million annual operating investment in the AMHS, Alaska's economy benefits from an estimated \$171 million in direct and indirect spending.
- The AMHS generates jobs for more than 860 Alaskans who earn \$35 million in annual payroll and \$10 million in benefits.
- AMHS employees reside in 37 different communities throughout Alaska.
- If the AMHS were a private employer, it would rank as one of Alaska's top fifteen corporations.
- The AMHS carried approximately 400,000 passengers and more than 108,000 vehicles last fiscal year.
- While the typical Alaska visitor's instate spending totals \$670 per trip, the average AMHS visitor spends over \$1,140 per trip while in Alaska, more than the cruise, air or highway visitor.
- AMHS visitors spend more time in Alaska than any other group of non-resident travelers. In 1993 the average was 16 nights per visitor, only 1.9 of which were spent onboard AMHS vessels.

### Regional Impacts

- AMHS visitor spending impacts all of Alaska including \$13.3 million in annual spending in Southeast, \$11.4 million in Southcentral, \$7.4 million in the Interior/Northern region and over \$2.5 million elsewhere in Alaska.
- Among Alaska's regional economies, the AMHS is most important in Southeast where more than 700 shipboard and shoreside workers live.
- Compared to Southeast's largest private employers, the AMHS would rank in the top three.

- Because of the relatively inexpensive cost of transporting goods on the AMHS, and the opportunity for rural residents to travel to regional centers for services, the cost of living in rural areas served by the ferry system is significantly reduced.
- AMHS operations and capital spending are important in many Alaska communities, especially in Ketchikan, Juneau, Skagway, Seward and Seldovia.

### Alaska's Investment in the Marine Highway System – 1994

<b>Annual Investment</b>	
General Fund Expenditure on AMHS Operations	\$29 million
<b>Annual Return on Investment</b>	
Direct Payroll and Benefits for 864 Alaskans	\$45 million
Instate Spending on AMHS Operations	\$15 million
Instate Capital Expenditures	\$13 million
Instate Spending by Non-Resident Passengers (visitors)	\$41 million
<b>Total Direct Benefit</b>	<b>\$114 million</b>
<b>Indirect Benefits</b> (multiplier effect on Alaska's support sector)	<b>\$57 million</b>
<b>Total Annual Return on Investment</b>	<b>\$171 million</b>

### Return on General Fund Investment in the Alaska Marine Highway System 1992 and 1994

	1992	1994	Percent Change
General Fund Expenditure on AMHS Operations	\$31 Million	\$29 Million	-7%
Total Annual Return on Investment	\$146 Million	\$171 Million	-17%
Return on Investment (%)	470%	590%	-25%

**HJR**

**42**

# FISCAL NOTE

STATE OF ALASKA  
1995 LEGISLATIVE SESSION

BILL NO. HJR 42

Revision Date: \_\_\_\_\_ Dept. Affected: Dept. of Transportation & PF  
 Title: Relating to Regulation of Water Carriers BRU: Office of the Commissioner  
 Serving Alaska \_\_\_\_\_ Component: Commissioner's Office  
 Sponsor: House Transportation Committee  
 Requester: House Transportation Committee COMPONENT SERIAL NO. 530

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY95) cost: \$ 0.0

**POSITIONS**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

The Department of Transportation and Public Facilities supports the intent of this legislation. It is the desire of the department to have a Federal agency responsible for oversight and regulation of the shipping industry which integrally connects Alaska to the Lower 48 states.

This legislation has no anticipated fiscal impact to the State DOT&PF

Prepared by: Sam Kito III  
 Division: Commissioner's Office  
 Approved by Commissioner: [Signature]  
 Agency: Department of Transportation and Public Facilities

Phone: 465-3904  
 Date: 4/17/95  
 Date: 4/18/95

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

For further distribution information, call the Governor's Legislative Office

# Alaska State Legislature

## House of Representatives



### Transportation Committee

## SPONSOR STATEMENT

### HOUSE JOINT RESOLUTION 42

**Relating to regulation of water carriers serving Alaska.**

House Joint Resolution 42 urges Congress to transfer the current regulatory system for water transportation between Alaska and the Lower 48 from the Interstate Commerce Commission to the United States Department of Transportation.

Congress is currently considering legislation that would repeal the existing authority of the Interstate Commerce Commission to regulate water carriers. Considering Alaska's significant dependence on water transportation, the abolishment of this regulating authority would eliminate the current forum for shipper complaints and tariff filing.

HJR 42 appears to have garnered wide support from both the shippers and their clients. It seems that this particular form of regulation has not been overly intrusive and benefits all parties concerned.

# SeaLand

STUART R. BREIDBART

Sea-Land Service, Inc.  
150 Allen Road  
Liberty Corner, New Jersey 07938

Vice President, Law and  
Regulatory Affairs  
(908) 604-3202  
(908) 604-3110 (Fax)

VIA FAX (907-465-3835)

April 7, 1995

Mr. Darin Morgan  
Office of Alaska State Representative  
Gery L. Davis

Re: Regulation of Carriers Serving Alaska

Dear Mr. Morgan:

Thank you for providing us with the opportunity to review the draft House Joint Resolution relating to regulation of carriers serving Alaska.

Confirming our telephone conversation, Sea-Land supports the proposal to transfer the current regulatory system for transportation between Alaska and the 48 contiguous states from the Interstate Commerce Commission to the U.S. Department of Transportation.

If you have any questions or if we can be of assistance, please contact me or Jim McKenna, our Alaska General Manager in Anchorage. Jim can be reached at 907-263-5600.

Sincerely,



SRB/bc

cc: ANCHORAGE - J. McKenna

LETTERS OF SUPPORT

Mailing Address: P.O. Box 2555, Elizabeth, New Jersey 07207  
(908) 558-6000



# TOTEM OCEAN TRAILER EXPRESS, INC.

1100 OLIVE WAY, SUITE 1100 • SEATTLE, WASHINGTON 98101

P. O. BOX 24908 • SEATTLE, WASHINGTON 98124

PHONE (206) 628-4343 • FAX (206) 628-9245

Robert P. Magee  
President

March 8, 1995

The Honorable Don Young  
United States House of Representatives  
2331 Rayburn House Office Building  
Washington, DC 20515-0201

VIA FAX 202-225-0425

Attention: Chris Fluhr

Dear Congressman Young:

I understand that the House Committee on Transportation and Infrastructure will soon be marking up legislation that could repeal all regulation of the Alaska trade. I believe this would be a serious mistake and urge you to support efforts to transfer the current regulatory system for Alaska from the Interstate Commerce Commission to the Department of Transportation.

TOTE is committed to serving the needs of Alaskans. Our Alaskan customers — particularly small businesses — tell us that they want to preserve tariff filing and the other essential elements of the current regulatory system in Alaska. Our customers are willing to pay a fair price for good service, and we believe we provide them with excellent service. Our customers also believe that the rates they pay should not be subsidizing someone down the street or across the ocean, and that publicly filed tariffs are the best way to achieve that objective. I have to agree with that.

I also agree with you that we do not need additional federal bureaucracy, but water transportation to Alaska is an area where there is a clear need and necessary role for the federal government. The ICC has provided regulation that has not been overly intrusive, but has assured fairness and provided a forum for shipper complaints. It should not be expensive to transfer the current system. There is no good reason that it should take more than one full time Department of Transportation employee to take over the entire system as it relates to Alaska.

Last fall TOTE supported the Alaska delegation in its successful efforts to retain tariff filing by water carriers in the Alaska, Hawaii, Puerto Rico and Guam trades, even though tariffs were eliminated in the lower-48. That was sound public policy then and it still is. I again urge you to preserve the current ICC regulatory system for Alaskans and to transfer it to the Department of Transportation. Please contact me if you have any questions or if I can provide you with any additional information.

Very truly yours,

  
Robert P. Magee  
President & CEO

# ALASKA MOVERS ASSOCIATION

340 MINNESOTA DRIVE, ANCHORAGE, ALASKA 99503

April 9, 1995

Honorable Don Young  
United States House of Representatives  
2331 Rayburn House Office Building  
Washington, DC 20515-0201

Attn: Chris Fluhr

Dear Congressman Young:

The Alaska Movers Association (AMA) is concerned about the planned demise of the ICC as it relates to the regulation of water carriers in the Alaska trade.

The AMA represents agents and van lines serving the Alaska moving industry. The majority of its members are small Alaska owned businesses.

We are concerned because of the oligopolistic market power of the two major water carriers and their ability to manipulate freight rates without proper governmental checks.

The ICC has required the filing of tariffs by Sealand and TOTE and this process has to some extent prevented oligopolistic market price control by these carriers.

We believe that both carriers are good corporate citizens and that neither one intends to abuse their economic power. However, we feel that some tariff protection is in the best interests of the Alaska consumer. The ICC has provided industry with the legal protection necessary to publish tariffs and we feel that this is still important for Alaska.

We believe that these functions of the ICC can be given to the FMC or the DOT and we would appreciate your looking into it.

Sincerely,

Greg Wakefield,  
President

cc: Jeff Keck, TOTE



# Anchorage Cold Storage Company

A DIVISION OF THE ODOM CORPORATION

Fine Foods and Beverages

140 WEST FIRST AVENUE  
P.O. BOX 180096  
ANCHORAGE, ALASKA 99509  
907 272 2511

12968 SPOKA HIGHWAY  
P.O. BOX 2100  
ANCHORAGE, ALASKA 99511  
907 283 6985

501 ENTERPRISE ST  
ANCHORAGE, ALASKA 99507  
907 576 1090

April 10, 1995

Honorable Ted Stevens  
United States Senate  
522 Hart Building  
Washington, DC 20510-0201

Dear Senator Stevens

I am writing you to urge opposition to any legislation that would repeal ICC regulations of water carriers in the Alaska trade.

The Odom Corporation does business throughout the entire state of Alaska depending on water freight carriers in one form or another to get these goods from the lower 48. To Anchorage alone we receive as many as 75 van loads a week from Tacoma. As you can imagine, freight cost affects the bottom line of our business. You may or may not know that in the late '50's my father, Mill Odom, got involved and later owned the Alaska Freight Lines Company. His purpose in doing this was to prevent the Alaska Steam Ship Company from having a lock on the majority of the business in the freight coming to Alaska, and he didn't want to be at the mercy of one shipping company.

I'm afraid without ICC regulations that the larger of the two dominant freight haulers would undercut freight rates to a point where the lesser freight company could not operate profitably. This may leave us in the unfavorable position of having only one major shipper servicing Anchorage. On the other hand, it could be argued that the shippers could raise prices to whatever the market would bear. This could be just as devastating a situation - not just for wholesalers like myself paying higher freight rates - but retailers and consumers paying as well. When there's only two major players in the market, it doesn't leave you with any other alternative but to pay their asking price.

I hope you take all this into account when considering your vote on any legislation regarding ICC.

Sincerely,

ANCHORAGE COLD STORAGE COMPANY

William L. Odom  
Executive Vice President

WLO/mj

Received Time Apr 12 12:32PM

# ALASKA TRUCKING ASSOCIATION, INC.

3443 Minnesota Drive • Anchorage, Alaska 99503 • PHONE (907) 276-1148 • FAX (907) 274-1846

April 12, 1995

Hon. Don Young  
United States House of Representatives  
2331 Rayburn House Office Building  
Washington, DC 20515-0201

Attn: Chris Fluhr

Dear Congressman Young, "Mr. Chairman":

I am writing on behalf of the three-hundred companies that represent the membership of Alaska Trucking Association. The purpose of this letter is to encourage you to oppose any legislation that would repeal ICC regulation of water carriers in the Alaska market.


The goods needed by Alaskans, are brought up by ships and distributed by trucks throughout the state of Alaska. Alaska Trucking Association members deal on a daily basis with all the major water carriers in the state. It is our belief as an association that the lack of ICC oversight would be detrimental to the citizens and the economy of Alaska.

Transportation's systems do not fair well under conditions of unbridled competition. The overall importance of transportation would seem to indicate oversight of such transportation operations as a legitimate government function.

The filing of tariffs and the fact that there is someone for a small shipper or tractor to turn to if there is a dispute further bolsters the argument for continued ICC oversight.

Please have your staff contact me Don if I can be of any further assistance on this issue and again please oppose any legislation that would repeal ICC regulation of water carriers in the Alaska market.

Sincerely,



Frank J. Dillon  
Executive Director,  
Alaska Trucking Association

P.S. If it cannot continue to be regulated by I.C.C. perhaps there is another existing agency that could shoulder the task?



Received Time Apr 3 9 19AM

# Carlile

**CARLILE ENTERPRISES, INC.**

1524 Ship Avenue • Anchorage, AK 99501 • (907) 276-7797

Speaker Gail Phillips  
Alaska House of Representatives  
State Capital  
Juneau, Alaska 99801

Dear Gail:

I enjoyed visiting with you last week and appreciate the time you set aside for us. You may recall asking me about a resolution proposed by Mr. Bob McGee of Totem Ocean Trailer Express, which would support a federal effort to transfer the regulatory system of tariffs from the Interstate Commerce Commission to the Federal DOT when the ICC goes away. This would apply to Alaska and Hawaii which are served via ship.

After discussions with various shippers and other transportation people, I feel that this would be good for Alaska and urge you to pass the resolution proposed by T.O.T.E. If I can be of any help please give me a call. The ATA board had not met as yet and while I anticipate their position will be the same this letter is from my company only. Thanks again for your support of Transportation.

Sincerely,



Harry McDonald  
President

Seattle

Received Time

Apr. 3. 3:18PM

Ward • Fairbanks

• Prudhoe Bay

# Wrightway Auto Carriers, Inc.

101 West Whitney Road  
Anchorage, Alaska 99501  
(907) 277-4549 Fax (907) 272-7570

Hon. Don Young  
United States House of Representatives  
2331 Rayburn House Office Building  
Washington, DC 20515-0201

Attn: Chris Fluhr

April 3, 1995

Dear Congressman Young,

I am writing to urge you to oppose any legislation that would repeal ICC regulation of water carriers the Alaska trade.

Wrightway Auto Carriers is a vehicle transportation company. We are the largest delivery service of new units to dealerships as well as movement of vehicles for corporate moving companies and personally owned vehicles in the state of Alaska. Sea-Land and TOTE are the water line carriers for 100% of our interstate service and a large portion of our intrastate service. ICC regulation keeps the carriers honest. They have been fair most of the time, but we were glad that the Mayor of Anchorage could go to the ICC last spring and get the carriers' attention. We think the Mayor's action was very successful in keeping rates down, and are afraid that without the ICC there would be nothing to stop Sea-Land and TOTE from charging whatever the market would bear.

Wrightway is under cost sensitive freight requirements by all of the major manufacturers (i.e., Ford, Chrysler). The carrier of today must also meet strict standards on new equipment requirements and standards set forth by manufacturers for safety along with the DOT. If congress abolishes the ICC, what will happen to tariffs? What would prevent the big shippers from demanding low rates and forcing the carriers to increase rates to small shippers like us? It is hard enough to stay alive as a small business today. Taking away tariffs and the ICC would make it even harder for us to stay in business.

We are in favor of reducing the federal budget, but do not see how it could cost very much to maintain tariffs and be a watch dog over the carriers. Without the ICC we bet we'd pay more in freight rates than the taxes we would save by repealing regulation. The system we have today works well for us and is worth every penny. We hope you will work to make sure it continues to work for all of us in Alaska.

Very truly yours,

William F. Wright, President

WFW/km

Received March 31 1995

Identical letters sent to  
Muskowski  
Young  
Knobles  
Ingram

**LYNDEN**

April 3, 1995

Lynden Incorporated  
1029 W. Third Ave., Suite 150  
Anchorage, Alaska 99501-1901  
(907) 279-7500  
Fax: (907) 279-8690

Honorable Ted Stevens  
United States Senate  
522 Hart Building  
Washington, D.C. 20510

**Re: Elimination of the Interstate Commerce Commission (ICC)**

Dear Senator Stevens,

We understand that legislation is pending that would eliminate the ICC. The result would be unfortunate for the shipping public and the motor and water carriers in Alaska.

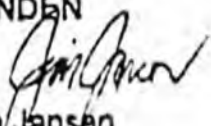
The current system provides for published tariffs, a degree of control and stability and a process for complaints and investigation.

If the ICC is in fact eliminated, I urge your support of alternative regulations or transfer of these functions to the Department of Transportation.

Thank you for your consideration

Sincerely yours,

LYNDEN

  
Jim Jansen  
President

JJ:am

Received Date: Apr 3 3 37PM

# ALASKA RAILROAD CORPORATION



Corporate Address: P.O. Box 107500, Anchorage, Alaska 99510  
327 W. Ship Creek Avenue, Anchorage, Alaska 99501

Executive Office  
(907) 263-2403  
Fax (907) 259-1456

March 27, 1995

The Honorable Don Young  
United States House of Representatives  
2331 Rayburn House Office Building  
Washington, D.C. 20515-0201

Dear Congressman Young

It has come to my attention that federal legislation is pending which may eliminate the Federal Maritime Commission. The net result of this action will be to remove any regulation of the domestic water carrier trade between the lower 48 and points in Alaska.

It would be unfortunate to eliminate all regulation of water carriers in the Alaska trade. The current system involving published tariffs provides a certain level of predictability that benefits shippers and consumers. Complete deregulation of water carrier transportation may, over time, create unneeded instability and have other detrimental impacts.

Accordingly, I urge your support to maintain these arrangements, or to adopt an alternative proposal transferring regulation of water carriers in the Alaska trade to the U.S. Department of Transportation.

Thank you for your consideration of these views. Please give me a call if you have any questions.

Sincerely,

Robert S. Hatfield, Jr.  
President & CEO

cc. ARRC Board Members



# Northern Meats, Inc.

P.O BOX 190518  
ANCHORAGE, ALASKA 99519-0518  
PHONE: (907) 561-1729

April 5, 1995

The Honorable Don Young  
U.S. House of Representatives  
2331 Rayburn House Office Bldg.  
Washington, D.C. 20515-0201

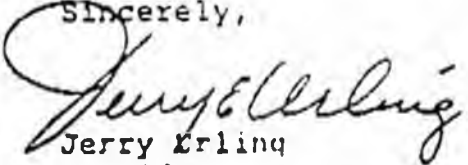
Dear Congressman Young:

I am writing to request your involvement and support in opposing the current bill undergoing markup in the House that would eliminate the I.C.C. and eliminate regulation of the water carriers serving the Alaska trade.

My company, Northern Meats, needs some regulation of the Alaska trade as it helps keep me competitive and provides a safety net for me as a small shipper.

It appears that the I.C.C. will be eliminated but I urge you to support the transfer of the regulatory functions pertaining to Alaska to the Dept. of Transportation.

Any support you can provide in this effort is appreciated.

Sincerely,  
  
Jerry Erling  
President



ANCHORAGE INDEPENDENT LONGSHORE UNION, LOCAL NO. 1

BOX 10 2092 -- TEAMSTERS MALL  
ANCHORAGE, ALASKA 99510

April 5, 1995

Honorable Don Young  
United States House of Representatives  
2331 Rayburn House Office Building  
Washington, D.C. 20515-0201

Dear Congressman Young,

This is written to ask you to oppose any legislation that would repeal federal regulation of water carriers in the Alaska trade.

I represent the Anchorage Independent Longshore Union Local #1. Our membership totals 400 workers in the State of Alaska. Most of our members are employed by both TOTE and SEALAND as an essential part of their work force.

ICC regulations assist in maintaining honest competition by enforcing tariff filing and other essential elements of the regulatory system for our State. Our workers, who are also consumers in the Alaska economy, demand fair prices for the goods they buy; fairness that is insured by a regulated transportation system.

Although I am in favor of reducing the federal budget, I don't see how it could cost very much to maintain tariffs and be a watchdog over the carriers. It should not be expensive to transfer a portion of the current system as it relates to Alaska regulations to another federal agency such as the D.O.T.

The current system works well for me and my members, and is worth every penny. I hope you will work to make sure it continues to work for all of us in Alaska.

Sincerely,

Robert A. Witt, Jr.  
Business Manager/Financial Secretary  
Anchorage Independent Longshore Union

RAW/llw

cc: See Attachment



# General Teamsters Local 959 State of Alaska

*Affiliated with the International Brotherhood of Teamsters*

ANCHORAGE, ALASKA 99501 4500 BUNIFACE PKWY (907) 269-4122 FAX (907) 337-4668 GERALD L HOOD (Secretary/Treasurer)

FAIRBANKS, ALASKA 99707, P.O. Box 70200 (907) 452-9959 FAX (907) 458-8651  
JUNEAU, ALASKA 99801, 308 Willoughby, (907) 588-3225 FAX (907) 586-1227

April 6, 1995

Honorable Don Young  
United States House of Representatives  
2331 Rayburn House Office Building  
Washington, DC 20515-0201

Dear Congressman Young:

I am writing to urge you to oppose any legislation that would repeal ICC regulation of water carriers in the Alaska trade.

I represent Teamsters Local 959, whose statewide membership totals 7,000 workers in the State of Alaska. Many of our members are employed by both TOTE and SeaLand as an essential part of their work force.

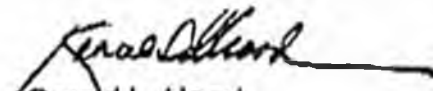
I believe that ICC regulation maintains honest competition by enforcing tariff filing and other essential elements of the regulatory system in our State. Our workers, who are also consumers in the Alaska economy, demand fair prices for the goods they buy; fairness that is insured by a regulated transportation system.

I am all in favor of reducing the federal budget, but I don't see how it could cost very much to maintain tariffs and be a watchdog over the carriers. It should not be expensive to transfer a portion of the current system as it relates to Alaska regulations to another federal agency such as the D.O.T.

The system we have today works well for me and my members and is worth every penny. I hope you will work to make sure it continues to work for all of us in Alaska.

Very truly yours,

TEAMSTERS LOCAL 959

  
Gerald L. Hood  
Secretary/Treasurer

/w/

Received Time Apr. 6 12:18PM