

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 STRA 12787

- EVALUATION MODELS
- Promotions based on seniority, rather than merit
 - Above-market compensation
 - Overtime policy as a disincentive to on-time performance
 - Ability to set crew levels and pay on new vessels

Will management have a free hand in pricing and the resources to effectively market ferry services? The *Alaska Marine Highway System Marketing and Pricing Study*¹³ demonstrates how reservation and marketing resources and market pricing could go a long ways towards getting AMHS on its own two feet.

AMHS currently operates under a number of administrative procedures to provide accountability and public control and protect the public interest. These include:

- Executive Budget Act
- Administrative Procedures Act
- State Personnel Act
- State Procurement Act

These procedures should be compared to those under alternative management structures to shed light on management's relative ability to determine services and prices and control costs.

Does the management entity have the power to issue debt, at least in the case where it is supported solely by system revenues? Would it have the power of eminent domain?

Operating Efficiency

Balancing customer expectations with cost-effective operation is the fundamental challenge in any business. It is a much greater challenge when the business involves a public service such as transportation. The private sector can use a simple, easily quantified measure of efficiency: profits. However, public service is measured by an almost infinite spectrum of often vague, even mutually exclusive expectations.

To be useful, then, management measures of operating efficiency must combine financial and public service goals. Past ferry system planning documents have not directly addressed what a desirable balance in this area might be, nor even how to go about finding one.

A more complex question is "does the current system operate as efficiently as it can." To this, one must assume that the answer is "yes." Public employees cannot profit personally from inefficient operations, for example, by making "deals" that are in their own financial interest. Therefore, they must do the best they can within the constraints and incentives imposed by the system in which they work. It is these constraints and incentives that warrant further study.

The internal dynamics that cause AMHS or DOT/PF to operate the way they do also have not been formally analyzed. The issue was addressed in a limited way by the *Marketing and Pricing Study*, which noted that improving the financial performance of AMHS sales and reservations staff would be much easier if standard industry pay incentives could be employed. Private sector firms often take this principle farther, for example by offering cash rewards to employees who identify cost-saving measures. The

¹³ *Alaska Marine Highway System Marketing and Pricing Study*.

most efficient management structure for the Marine Highway will be one that understands how, *and has the authority*, to align individual staff incentives with this goal.

Responsiveness to Local and Statewide Needs

Where statewide or local management is governed by a public corporate form, careful attention would need to be given to the make-up of the board and the approvals required, if any, from local municipalities or electorates, as under the Alaska Port Authority Act.

Responsiveness to statewide needs suggests the continued need for an overall statewide management entity. The Alaska Mental Health Trust Authority has potentially useful elements of a management structure for determining services in coordination with available statewide funding, even though it does not operate services itself. A similar ferry entity could operate services and also be responsible for devolution of services to be operated by subsidiary entities, either public or private, on a decentralized basis.

Access to Funding

Where an essential public service is provided to communities and that service is known to require a financial subsidy, does management have access to a reasonable and secure level of public funding? The management structure must be eligible to participate in a program of public funding mechanisms that is capable of supporting the desired level of public service.

Ferry transportation also requires large capital investments. Access to capital markets or government aid for capital improvements will be critical in the long run. If operations are not sustainable, a ferry will also need an outside source of funding for operating subsidies.

A management structure could need access to federal, state, or municipal support. Given the predominance of federal highway aid (both formula programs and Discretionary Ferry Boat funding¹⁴) and mass transit aid for capital improvements, legal, institutional, and political barriers, or competition for these funds need close examination.

Access to the public debt and private equity markets may also be important for capital funding. The ability to use tax-exempt borrowing would be important if there is any possibility of debt financing supported by ferry revenues. Revenue debt can require net cash flows that are 25 percent or more greater than debt service. This would be a far greater challenge than sustainability of operating costs, given that cash flows currently barely covering half of operating costs.

If a ferry operation can use tax-exempt financing, State or municipalities might provide additional credit support. This could include general obligation bonds ("GOB's"), limited-GOB's, moral obligation bonds, lease-financings, and GARVEE or other bonds supported by a particular government revenue stream.

¹⁴ Section 1207, TEA-21.

Public Sector

Line Agencies

Ferry systems can be operated as a line agency of a government. This is the current structure of AMHS. It is a division of the Alaska Department of Transportation and Public Facilities ("DOT&PF"). It is governed by the appointed officials in the chain of command from the Governor, to the DOT&PF Commissioner, and on down, subject to various State laws and administrative procedures, labor agreements, and Federal regulations.

Enterprise Funds

While still a line agency, ferry systems can be structured as an enterprise fund within the government's accounting system. An example of this is the International Airports System within DOT&PF.

Generally accepted accounting principles¹³ define the purpose of enterprise funds as:

"...to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through users charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes."

Enterprise funds are often used to meet the disclosure and accountability necessary to issue revenue bonds. This is the case with the International Airports System.

AMHS statutes have created two funds—the Alaska Marine Highway System Fund and the Alaska Marine Highway System Vessel Replacement Fund—that provide something similar to enterprise fund accounting. But, they are accounted on the State's books as part of the general fund, a governmental fund.

One of the principal differences between enterprise and governmental funds is that only enterprise funds report long-term assets and liabilities on their balance sheets. Also, full accrual accounting is required only of enterprise funds. These differences would require an accounting of AMHS capital assets and annual charges for depreciation.

The Governmental Accounting Standards Board is phasing in requirements that will move even governmental funds closer to an enterprise model. The Board's Statement 34 will require accounting for infrastructure asset values and annual depreciation or maintenance charges.

¹³ National Council on Governmental Accounting Statement No. 1, Governmental Accounting and Financial Reporting Principles.

Public Authorities

Public authorities are another type of governmental structure. They have a legal existence independent of the state or municipal government—usually, they are created by law as public corporations. They may still be administratively lodged in departments of government—for example, AHFC is part of the Alaska Department of Revenue—to facilitate oversight, budget coordination, or other administrative functions.

They also typically have a different governance structure, usually a board of directors, either appointed, ex officio, elected, or some mix. They may be created with statewide, regional, or municipal scope, for any purpose. They typically have administrative procedures similar to government, but often with greater flexibility.

Authorities may be given the power to tax or issue debt. Authority debt may receive various forms of credit support or guarantees from the parent government.

Authorities can provide a degree of independence from electoral politics. But, they also run the risk of becoming captives or advocates of users or suppliers of the services they administer. A degree of financial independence in terms of budgetary approval or retention of earnings may shift authorities closer to market-driven incentives. Endowment with financial resources can encourage an orientation to bottom-line results, but can also encourage assaults by interest groups that lead to the ruination of the commons.

Private Sector

Private sector management assumes that the State would exit the ferry business altogether, or on selected routes during selected times of the year. It denotes leaving the decision to the market as to what, if any, ferry service will be provided. Private ferry operations are common, particularly in Europe. In the US, public entities often eschew potential profits in favor of private operations. For example, when a study projected that a fast ferry operating between Gloucester, Massachusetts and Shelburne, Nova Scotia could be profitable, the City of Gloucester actively courted private sector interest in the route.

Private sector management structures would most likely take the form of for-profit corporations. Unlike public corporations, they can issue stock to raise capital, finance acquisitions, or reward employees. Significant capital investment would normally weed out other structures such as non-profit corporations that do not provide a return on risk capital. Business and other risks would rule out proprietorships or partnerships that do not provide limited liability. Small business structures that do provide limited liability such as limited partnerships, limited liability corporations, or subchapter S corporations can be cumbersome for obtaining outside capital or providing equity participation incentives to employees.

System Divestiture

The geographic scope of private sector ferry operations could be system-wide or confined to selected routes. The current deficit in AMHS operations suggests that system-wide privatization would severely truncate routes and service. If a private sector operator had to recover capital costs, it would create great uncertainty about what, if any, routes or services could sustain themselves. This would be true whether a private operator acquired existing AMHS assets or purchased new vessels or terminals.

Even if AMHS donated its existing assets to a private sector operator, the continuation of many routes and services would be in doubt. In addition, federal regulations may restrict the terms of transfer of assets funded from federal aid, or require repayment to the federal government of the proceeds of any such asset sales.¹⁶

No AMHS assets have been financed with tax-exempt bonds. If they had been, IRS regulations governing private-activity bonds could create problems with transferring assets to a private entity. Looking forward, private owners could face higher capital costs because of lack of access to tax-exempt financing for future capital improvements.

Service Shedding

Rather than abandoning the system to the vagaries of the private sector, AMHS could indulge in selective service shedding. AMHS could solicit proposals for providing service for selected routes, seasons, etc. that cover, or could reasonably be expected to cover, their costs.

Divesting any service that made money for AMHS would deepen the System's operating deficit. In theory, bids should represent the capitalized value of the routes' future earnings stream. If earnings were potentially greater under private operation, bids would more than compensate for aggravated future deficits.

Regulation of Competition

Where AMHS relinquishes service, some encouragement could be given to private ferry operations by limiting competition. AMHS could award franchises for particular areas as part of the bidding process. Alternatively, public utilities-style regulation could be established, requiring certificates of convenience and necessity.

¹⁶ Executive Order 12803 from 1992, Executive Order 12893 from 1994, and the current federal highway aid statutes, as amended by TEA-21 would need to be examined.

Public/Private Partnerships

Where both the public and private sectors are involved in providing a good or service, the operation is frequently referred to as a "public/private partnership". In actuality, this seldom takes the legal form of a partnership or joint venture. More often, "public/private partnership" is a term used to garner popular support for either public financial support to private sector operations or contracting out public sector services to the private sector.

For example, Wisconsin's ferry service across Lake Michigan is essentially a private operation. However, the state has shown a willingness to provide such things as start-up support for new routes, marketing support and assistance for capital projects.

Partnerships

Partnerships, in the true sense of the word, denotes legal partnerships, joint ventures, or corporations, in which there are both public and private equity investment and joint governance, if not management and operation. Conflict could be expected between profit incentives and government mandates to provide ferry services. The joint operating agreement or articles of incorporation would have to spell out strictly the scope of services and equitably allocate costs, profits, and risks.

Public Financial Support

Public financial support for private or subsidiary public ferry operations can take many forms. But, the most critical element is what control or assurances of service the government obtains in return. A *laissez-faire* approach leaves determination of what services will be provided to the private sector or subsidiary entity. Financial support could include:

- subsidies or prizes, awarded for example on a passenger-mile basis
- dedicated or shared revenues, also based on some performance measure
- tax incentives or exemptions with respect to income, property, sales, or fuel taxes
- credit support or financing guarantees for assets used in Alaska ferry operations; or
- lending for ferry assets

With a public services approach, government would retain control over the services provided. But, ownership of assets and operation of service would lie with the private sector. Financial support would be provided in the context of a contractual relationship that sets out routes, schedules, or capacity of services provided. The types of support mentioned above could be provided, but there would be more flexibility to negotiate fixed payments or obligations, as well as performance-based ones. In addition, support could include:

- capital contributions in the form of equity or grants
- endowment of ferry operations

A study of the British Columbia ferry system¹⁷ suggests that if a process for privatizing routes were established,

"Even for operations where there is little present appetite in the private sector, the very conduct of the process and the accompanying pre-commercialization activities will ultimately result in further commercialization opportunities."

Private Sector Contracts

In addition to privatizing ferry operations on specific routes, "public/private partnership" could include contracting out specific functions in running a ferry operation. For example, the cabin housekeeping or ship operations of vessels might be contracted to a private firm. Restaurant or bar operations might be provided on a concession basis.

Administrative or shoreside operations that might be contracted out include:

- management/administration
- marketing
- reservations
- dock operations
- layup

AMHS already depends to a great extent on private firms for planning, design, and construction of capital improvements. But, in addition to acquisition of capital assets, AMHS might be able to lease vessels or terminals or pay usage or port fees for the use of terminals. Of course, AMHS could contract with municipalities, public authorities or agencies, or non-profits as well as the private sector.

¹⁷ *Review of BC Ferry Corporation and Alternative Uses for the Fast Ferries*, Fred R. Wright, December 2001, page 25.

EXAMPLES OF ALASKA MANAGEMENT MODELS

Current AMHS Model

AMHS operates nine vessels on routes that cover 3,500 miles of Alaska and British Columbia coastline between Bellingham, Washington and Dutch Harbor. It serves 32 Alaska communities plus Bellingham and Prince Rupert, British Columbia. The system has always been operated as an agency of state government. In 1997, the legislature ordered that AMHS be reorganized and merged with the Department of Transportation and Public Facilities.

The primary management units at AMHS are general administration, financial administration, reservations, vessel operations and port operations. Recently, authorization was obtained for a single marketing position. General planning and contracting are handled by other DOT/PF units. The director of Southeast Region for DOT/PF is also active in ferry system issues and sits on the ferry committee of the national Transportation Research Board.

Decision-making is handled as with any State department. There is no special mechanism or body to provide representation for the communities served by the system. Funding is prioritized through the same Statewide Transportation Improvement Program (STIP) that determines other DOT/PF project funding. An often-discussed issue is whether the STIP is an effective way of addressing the ferry system's strategic needs. For example, the first two fast vehicle ferries are slated for service between Sitka and Juneau and in Prince William Sound. However, it is not clear from existing planning documents that these are the routes that present the greatest opportunity for revenue enhancement or system-wide service improvements as a result of the new vessels.

Since 1990, ferry system finances have been funded through the Alaska Marine Highway Fund and the Alaska Marine Highway Vessel Replacement Fund. Both are sub-funds of the state's general fund. The Alaska Marine Highway Fund receives revenue from operations and annual appropriations by the legislature. Appropriations do not lapse at year-end. However, the fund meets Alaska's constitutional prohibition against dedicated funds because it is at all times subject to legislative appropriation for any purpose. The fund provides AMHS an increase in financial autonomy over the pre-1990 arrangement whereby the system was operated directly from the general fund by annual appropriation.

The Vessel Replacement Fund was to act as a "savings account" to meet vessel-related needs. To date \$19.5 million have been appropriated to the fund, all of which has been spent or committed. Since 1995, the vast majority of vessel refurbishment and replacement projects have been funded through the National Highway System Designation Act and the Transportation Equity Act for the 21st Century. This includes \$31 million for the first fast vehicle ferry, authorized in 2000.

Alaska Railroad Corporation

The Alaska Railroad Corporation is a public corporation, legally independent from the State. It cannot issue stock (AS 42.40.300). Organizationally, it is a political subdivision of the State Department of Community and Economic Development.

Notably, operation of the Railroad is declared to be an essential government function (AS 42.40.010). At the same time, it is mandated to generally operate on a self-sustaining basis (AS 42.40.100 (3)). Statutory provisions exist for requesting and receiving State subsidies for particular services. But, no subsidies have ever been requested. The statutes would require subsidies to be calculated in a specific manner, as prescribed by the United States Interstate Commerce Commission, now the Surface Transportation Board. Revenue and profits, if any, are retained by the Railroad for railroad purposes (AS 42.40.530).

The Railroad has been endowed with substantial amounts of land, both along railroad rights-of-way and elsewhere. In part, this is to assure unobstructed, efficient rail operations. But, revenues from non-rail uses of land also provide financial independence from State politics. They can cover variations in operating earnings that might otherwise require the Railroad to go hat in hand to the Legislature to maintain essential services.

Historically, the Railroad's rail operations have shown a profit, sufficient to recover depreciation. In 2001, they only covered operating expense. About half of the Railroad's \$306 million in assets have been funded from Federal grants and earmarked appropriations. \$79 million in retained earnings have funded another quarter of the assets.

Eighty-three percent of total rail revenues of \$96.2 million in 2001 came from freight; fourteen percent came from passengers. Net income of \$6.6 million from real estate accounted for all of the Railroads net earnings in 2001. The Railroad actively manages its real estate. It has had a real estate department since the mid-1990's. Still, of some 18,000 leasable acres, only about 2,500 are under lease or permits.

Privatization is a possible goal for the Railroad. A number of rail services do not pay their own way and would most likely be jettisoned under private operation. AS 42.40.260 requires an annual report that analyzes the potential for sale of the corporation to private owners. Annual costs and income by category of service are included in the annual report. The Governor may also lease the Railroad under certain conditions (AS 42.40.940). The Railroad has privatized some passenger services via "pull" contracts for railcars owned by Princess and Holland America and relies on private contractors for the bulk of its capital improvements.

A seven-member board of directors governs the Railroad. The board includes two State commissioners and five public members. The majority of public members enhances the board's political independence. The public members must be appointed by the Governor and confirmed by the Legislature. Two members must have railroad expertise and one member is a Railroad employee bargaining unit member. Terms are staggered, but members serve at the pleasure of the Governor, potentially undermining continuity and independence.

The scope of the board's management authority is broad. It includes service levels and routes, rates, labor agreements, and budgets. Its budget is not subject to approval by the Governor or Legislature. With approval of the Governor, the Railroad may exercise the power of eminent domain.

There are a number of external limits on management's authority in these matters. The Railroad is deemed a common carrier subject to the jurisdiction of the Interstate Commerce Commission (AS 42.40.060 (b)(2) , now the Surface Transportation Board. Rates must conform to the requirements of the Alaska Railroad Transfer Act of 1982 (AS 42.40.250 (14)). Legislative approval is required for the Railroad to issue bonds. There are no provisions for the State to make its credit available for Railroad debt obligations.

The Railroad is generally exempt from the State's Administrative Procedures Act, State personnel and collective bargaining statutes, and the State procurement code. But, there are Railroad statutory provisions relating to adopting rules, collective bargaining, and procurement. About 80 percent of Railroad's 670 employees belong to one of five unions. The Railroad and interest on its debt are exempt from State and municipal taxes (AS 42.40.910), as well as Federal taxes.

As a corporation, the Railroad's liability is limited to its own assets or revenues. Railroad obligations create no rights against the State (AS 42.40.500). The Railroad's land is exempt from taking by adverse possession (AS 42.40.450).

Alaska Industrial Development & Export Authority

The Alaska Industrial Development & Export Authority ("AIDEA") is a public corporation, legally independent from the State. It also is a political subdivision of the Department of Community and Economic Development.

The main purpose of AIDEA is to provide financial assistance to business enterprises. AIDEA does so by purchasing loan participations, issuing loan guarantees, and owning and operating economic development projects. Economic development projects are often transportation infrastructure facilities.

These activities have been funded through State capital contributions of cash and existing State business loans; proceeds of AIDEA taxable and tax-exempt bond issues; and earnings on loans, investment securities, and development projects. Earnings on loans include loan commitment and guarantee fees charged to borrowers, as well as interest earnings.

AIDEA is essentially mandated to cover its costs. Interest rates on loans are statutorily set at AIDEA's cost of funds, including overhead. Bond-funded economic development projects must be able to meet debt service. AIDEA is authorized to charge fees for the projects it owns to provide a return on investment. This mandate, combined with a contribution of almost \$300 million from the State, now produces substantial earnings—over \$40 million in fiscal year 2001. This helped prompt a statutory provision that AIDEA pay an annual dividend to the State.

The oil price crash of the mid-1980's caused large loan losses for AIDEA, and limited demand for new loans into the 1990's. As a result, AIDEA's net worth grew little during this time. But in the last ten years, AIDEA's equity has grown from \$643 million in 1991 to \$878 million in 2001. And, this is after paying a cumulative total of \$91 million in dividends to the State from 1996 to date.

A five-member board of directors governs AIDEA. The board includes three State commissioners and two public members. The Governor appoints the public members. There are no expertise or experience requirements for any members. Except for two ex-officio State commissioners, members serve two-year terms.

Even with a majority of State executive branch cabinet members on its board and short terms for public members, AIDEA has remained profitable. Business-like management has played a role. But in large part, AIDEA's profitability is due to statutory privatization of the underwriting decision.

Private lenders determine what loans will be made to business enterprises. AIDEA by statute (AS 44.88.155) may only purchase participations (up to 80 percent) in loans that are originated by private lenders. Further protections are contained in statutory underwriting criteria for these loans, such as loan-to-value ratios.

For economic development projects, AIDEA statutes limit bond financing to projects that are economically and financially feasible (AS 44.88.095 (d)). The statutes allow projects to be subsidized by the State (AS 44.88.173 (b)). But, primary reliance on bond market financing enforces profit-oriented decision-making.

The scope of the board's management authority is rather limited. Statutory and financial market underwriting criteria ensure funding only for viable enterprises and projects. Of course, there is still a lot of judgment and discretion that must be exercised by the board with respect to individual projects. Interest rates and fees on loans are limited by statute.

AIDEA's operating budget is subject to the Executive Budget Act. AIDEA is generally not subject to the State's Administrative Procedures Act or personnel statutes. Legislative approval is required for AIDEA to issue bonds in excess of \$10 million for economic development projects. Until 1989, AIDEA could issue moral obligation bonds of the State. Authority to issue any bonds other than refunding or conduit bonds sunsets July 1, 2003.

AIDEA is exempt from Federal, State, and municipal taxes, though it often negotiates payments in-lieu of taxes on economic development projects. Interest on its debt is exempt from State and municipal taxes (AS 44.88.140), but some private activity bonds are subject to Federal taxation.

As a corporation, the AIDEA has limited liability and cannot obligate the State.

Inter-island Ferry Authority

The Inter-island Ferry Authority ("IFA") is a public, legally independent, corporation organized under the Municipal Port Authority Act (AS 29.35.600-730). It is a political subdivision of the municipalities that created it.

Petersburg, Wrangell, and Prince of Wales ("POW") out-port communities—those not on designated National Highway System ("NHS") ferry routes—created the IFA to improve AMHS ferry service between their communities and with Ketchikan. Parallel ordinances adopted by each participating municipality, and approved by their voters, created the IFA. A Memorandum of Understanding was executed between the AMHS and IFA to transfer responsibility for POW ferry service to IFA.

Under the Municipal Port Authority Act, each participating municipality had to approve an IFA development plan for the specific project that it would operate. Under the plan, IFA has financed the construction of two ferries and terminal improvements from the proceeds of IFA revenue bonds, guaranteed by the Ketchikan Gateway Borough and issued through the Alaska Municipal Bond Bank, earmarked Federal appropriations passed through the Federal Transit Administration, Federal and State aid to highways, and other sources.

Unlike some port, bridge or other types of authorities elsewhere in the U.S., authorities under the Alaska Municipal Port Authority Act do not have the power to levy any taxes. Nor are they entitled to receive any dedicated government revenues. Alaska port authorities are designed for self-sustaining operations.

In addition, formation of port authorities requires local initiative. This requires that there be a perceived need for improved or lower cost services. It reinforces realistic assessment of market demands, or the value of any services that might be subsidized.

A seven-member board of directors governs IFA. Each participating municipality appoints one director and the board ordinarily then appoints an at-large director from nominations made by participating municipalities. Terms are staggered.

IFA expects to cover all operating cost from the farebox and concessions. No provisions have been made for any subsidized operations. It expects a profitable operation, even though fares and employee wage and benefit levels¹⁴ are comparable to AMHS.

IFA's ability to provide improved services on a profitable basis stems from four operating characteristics:

- dayboat operations cuts work hours from 24 to 12;
- smaller vessels¹⁵ reduce excess capacity and crew requirements;
- eliminating cabin services reduces crew requirements and increases fuel efficiency; and,
- food and beverage operations are privatized.

IFA has substantial political and budgetary independence. As long as it does not require subsidies, approved IFA projects do not need budgetary approval by participating municipalities or other outside parties. Unlike AMHS, it is not subject to the State's Executive Budget Act and the associated statewide budgetary politics of legislative and gubernatorial approval.

IFA is not subject to the State Administrative Procedures Act or Procurement Act. It had the option to exercise the power of eminent domain within its designated boundaries, but chose to renounce it. Authorities under the Municipal Port Authority Act can issue bonds payable from authority income and receipts, or payable by another party if secured by lease or agreement.

In October, 2001, IFA opted out of the State's collective bargaining statutes¹⁶ and IFA employees are not unionized. As a result, it is subject to the National Labor Relations Act. It can designate masters and mates as management supervisors under the Wage and Hour laws, thereby exempting them from collective bargaining. This ability of IFA (and other Title 29 authorities) to operate unencumbered by existing bargaining units is key to keeping its cost structure manageable. Shuttle operations have benefited local employment and employee morale, because crew return home each night.

As a non-profit, municipal corporation, IFA remains eligible to receive Federal highway and transit funds. It has limited liability and is tax-exempt, though it may negotiate payments in-lieu of taxes.

¹⁴ IFA employees participate in the State's Public Employees' Retirement System ("PERS"), have Blue Cross/Blue Shield health insurance, and are covered under Social Security, rather than the State's Supplemental Benefits System ("SBS").

¹⁵ IFA vessels are regulated under U.S. Coast Guard Subchapter K. Subchapter K applies to vessels under 100 gross tons. Coast Guard manning requirements increase dramatically for vessels over 100 tons. Subchapter K vessels can have more than 150 passengers, subject to safety and stability requirements.

¹⁶ Public Employment Relations Act (AS 23.40.070-260).

Alaska Mental Health Trust Authority

The Alaska Mental Health Trust Authority ("Authority") is a public corporation of the State. It manages the Alaska Mental Health Trust ("Trust"), spends income from the Trust, and plays the lead role in planning and budgeting all State mental health services.

The Authority occupies a unique niche in state government. Unlike other State authorities, the assets the Authority manages are an endowment. Plus, the Authority annually plans and recommends the State's spending on mental health not just from the Trust's income, but from all sources, including State general funds. Thus, it has complete control over its own assets and substantial influence over all other resources that the State devotes to mental health.

The Trust assets and income are dedicated to mental health services. The State cannot appropriate or use Trust assets or income for other purposes. By contrast, equity contributions made by the State to AIDEA or Alaska Housing Finance Corporation (AHFC) could be reappropriated for other uses. And, a portion of the income from these corporations is paid into the State's general fund as dividends each year.

The State Constitutional prohibition of dedicated revenues²¹ barred creation of endowments or trusts after statehood, absent a Constitutional amendment (e.g., the Alaska Permanent Fund) or except as required for participation in federal programs. The Trust exists because it was created by federal law prior to statehood.

Prior to statehood, there were no mental health services available in Alaska. The Federal government sent mentally ill persons to an institution in Portland, Oregon. As part of the transition to statehood, Congress passed the Alaska Mental Health Enabling Act of 1956. This act transferred the responsibility for mental health services from the Federal government to the Territory of Alaska and created the Trust. The state selected and received one million acres of federal land to endow the Trust.

Rather than manage these lands to fund mental health services, the state transferred the most valuable parcels to private ownership and other State and municipal government uses, such as parks. By 1982, only about 35% of the land trust remained unencumbered and in State ownership.

Litigation by mental health beneficiaries, begun in 1982, resulted in a Supreme Court order that the original trust be restored. In 1994 a final settlement reconstructed the Trust with 500,000 acres of original Trust land, 500,000 acres of replacement land, and \$200 million. The Legislature also created the Authority pursuant to the settlement.

The Alaska Permanent Fund Corporation invests the Trust's financial assets. The Trust Land Office in the Department of Natural Resources manages the land. The Authority spends the income from the investments and land for mental health services. Under the settlement, the Authority may spend Trust income without a legislative appropriation.

By statute, the Authority each year develops a Comprehensive Integrated Mental Health Program and forwards a mental health services operating and capital budget to the Governor and Legislature. The statute requires a separate appropriation bill for the program. If the Governor or Legislature changes the budget, they must explain the difference in writing.

²¹ Section 7, Article IX, *Alaska State Constitution*.

In shaping the Comprehensive Integrated Mental Health Program, the Authority reviews the recommendations of three other boards:

- Alaska Mental Health Board
- Governor's Council on Disabilities and Special Education
- Governor's Advisory Board on Alcoholism and Drug Abuse
- Alaska Commission on Aging

Trustees usually choose to have existing state agencies administer Trust funds. These state agencies must have legislative approval to receive and spend Trust funds. Three times each year the Authority awards small project grants to non-government organizations providing grass roots mental health services. These projects are administered solely by the Authority and are funded with Trust income. The Authority is subject to the State Administrative Procedures Act.

A seven-member Board of Trustees governs the Authority. The Governor appoints the Trustees, after considering recommendations of a panel composed of mental health beneficiaries or their representatives. Trustees are subject to legislative confirmation and serve staggered five-year terms. The Governor is to appoint Trustees based on their expertise in financial, investment, or land management or mental health services. The Governor may remove a Trustee only for cause.

The statutes prohibit officers or employees of the State, or an organization that receives Trust money under grant or contract, from serving as Trustees. This unusual provision may be due to the more sensitive fiduciary nature of trustees' duties. But, it recognizes a conflict that exists for corporate directors as well, even though they are held to less stringent legal standards of conduct.

Public Ferry Operations

Washington State Ferries

Washington state ferries are operated by the Washington State Department of Transportation. Ferry operations are funded through a combination of fare box receipts and state taxes. Approximately 4.7 percent of state motor-fuel tax receipts are dedicated to ferries, half to operations and half to capital construction. Fare box earnings are required to pay for at least 60 percent of the operating program. The Washington State Transportation Commission, a 7-member board appointed by the governor, oversees operational plans for the ferry system. The commission develops long-range plans through six-year investment programs, capital project lists and biennial budgets. The commission works with federal, state and local officials to develop partnerships and remove barriers to achieving the state's transportation goals.

BC Ferries

The British Columbia Ferry Corporation operates as a Crown corporation of the British Columbia government. The corporation is governed by a Board of Directors, and regional citizen committees advise BC Ferries regarding customer service and tariff reviews. In 2000, the BC government implemented a new fiscal framework for the ferry system. The government removed over 1 billion dollars of the corporation's debt, enacted legislation to dedicate 1.25 cents of the motor fuel tax, and put three fast ferries up for sale. Complex tariff structures were rationalized, information systems were upgraded to improve financial performance and accountability, and partnerships with travel industry organizations were developed and expanded to promote increased ridership and promote British Columbia as a tourist destination. After a long period of deficits and insolvency, the corporation recorded an operating surplus in 2001.

Nationalized Ferries

Caledonian MacBrayne (CalMac) is a nationalized ferry company operated by the Scottish government that plays a "crucial social, economic and tourism role" in serving remote, rural communities in the Scottish Isles. Tariff levels and operational efficiency levels are set by the parliament. Although CalMac carries 80 percent of the market's 6 million annual passengers, three private firms are also active. The system is currently under review for compliance with the European Community law, which requires that government subsidies be paid only to fulfill a Public Service Obligation, and the services so covered must be open to competition.

CalMac provides a network of 24 approved services. In return, the company, which is wholly owned by Scottish Ministers, a public body, receives grant support for the operating losses it incurs. In 1998, the subsidy amounted to roughly \$10 per passenger. CalMac also receives capital grant funds.

Port and Transit Authorities

Massachusetts Bay Ferries

The Woods Hole, Martha's Vineyard and Nantucket Steamship Authority was created by the Massachusetts legislature to operate ferries between Cape Cod and the nearby islands. Series A and B bonds have been issued over the years for capital improvements to vessels and facilities. The Authority derives revenues from its operations (fare box, vehicle fare, parking and freight) to meet the cost of service in most years. Surplus funds are deposited into a reserve fund, which is used to make up operating costs in deficit years. In recent years, towns on the shore of Cape Cod have sued the Steamship Authority to try to restrict its autonomous control of shore-side facilities and operations. The state supreme court has ruled that the Authority's mission to act as an "essential" supply line to the islands supercedes local zoning and other ordinances and that the Authority need not take into account the interests of shore communities. A bill before the 2001 Massachusetts Legislature proposed altering the make-up of the Authority for broader regional representation.

New York / New Jersey Ferries

The Port Authority of New York and New Jersey is a financially self-supporting agency that relies almost entirely on revenues generated by facility users in the form of tolls, fees and rents. The governors of the two states each appoint six board members. The Authority has a broad range of assets including bridges, tunnels, real estate, and vessels. It is responsible for public transportation, including ferry service, in the greater New York City area.

Much of the ferry service in the New York area is privately provided and has evolved in response to residential development in areas of New Jersey and Long Island. In at least one instance, "vertical integration" has made ferry service a more attractive venture for the private sector. When much of the New Jersey waterfront lost its value as a shipping center, a developer purchased the land, built condominiums and established private ferry service so that tenants could commute directly to Manhattan from their homes. NY Waterways is now the largest private ferry operation in New York City and recently purchased additional vessels from Allen Marine in Sitka.

Kitsap, Washington Ferries

Kitsap Transit is a Public Transportation Benefit Area Authority (PTBAA), established by the voters in the late fall of 1982 and owned by Kitsap County, Washington. It provides public transportation services in the greater Bremerton and Port Orchard portions of Kitsap County, including contracting for a passenger ferry. Kitsap Transit is funded by local sales tax, fares, and miscellaneous revenue.

Delaware / New Jersey Ferry

The Delaware River and Bay Authority operates the Lewes, Delaware to Cape May, New Jersey ferry, 5 airports, a toll bridge, a business park, and a passenger-only ferry to an historic island. The DRBA is self-sufficient in that it receives all of its revenues for operation from tolls, tariffs and concessions. An official there said that the ferry itself was not self sufficient. Out of the 1.3 million annual passengers, about 900,000 traveled from May-Sept., but the DRBA is required to operate the ferry 365 days a year.

San Francisco Ferries

From a customer service standpoint, ferries, particularly fast ferries, have been a success on San Francisco Bay. It is estimated that ferry trips could increase from the current level of 100 trips per day to nearly 700 trips per day in the next decade. In 1999, the California Legislature created the San Francisco Bay Area Water Transit Authority, a new regional agency. The legislation authorized the WTA to develop and adopt a long-range plan for operating a comprehensive water transit system in San Francisco Bay. The bill also specified the organizational structure for the WTA and the technical studies that need to be conducted.

In 2000, the California Legislature appropriated \$12 million to fund the environmental impact reports and design functions specified in the legislation. The objective of the WTA is to relieve the Bay Area's traffic congestion by delivering a cost effective, convenient and environmentally responsive ferry transit alternative. The WTA is to provide the California Legislature with assessment of the costs and benefits of ferry service expansion and to compare the environmental and economic effectiveness of ferry service investment with other potential transportation investments.

Minnesota Public Transit

Southwest Metro Transit (SWT) is the public transit agency for Chanhassen, Chaska, and Eden Prairie, Minnesota - suburbs of Minneapolis. The Southwest Metro Transit Commission is a seven-person board responsible for oversight of the agency. The Commission is composed of one elected official and one appointed citizen from each city, and a rider representative. The agency is a public agency with private sector drivers. The agency owns the buses and all infrastructure, but contracts for driver services. The agency was at first funded by property taxes, according to John Kragness, an SWT official. This was a stable funding source that grew in relation to property values. Recently, funding for the SWT was tied to the motor vehicle excise tax, which is more volatile from year to year in response to variable vehicle sales.

ESSENTIAL AIR SERVICE²²

The Airline Deregulation Act of 1978 was passed to make the airline industry more an agent of market forces and less directly subject to government regulation. In passing the law, Congress recognized that smaller communities would require continuing government support, if they were to retain air service. The Essential Air Service program (EAS) was scheduled to expire after 10 years. It was reauthorized for another 10 years and, in 1996, was made permanent. The amount of required minimum service is defined as two flights per day, five days per week. Required service and the amount of federal subsidy have all varied over the years. Outside Alaska, service is provided with 19-seat aircraft. The use of jets in several Alaska communities reflects the most practical approach given other routes and schedules.

Currently, a maximum of \$50 million per year is set aside to guarantee service to approximately 100 communities. As of January, 2002, 31 of these were in Alaska, including 9 in Southeast Alaska. The amount of subsidy ranged from \$5,000 in Chatham and Funter Bay to more than \$1 million in Adak. EAS subsidies for Alaska are summarized in the table.

| Community | Annual Subsidy |
|-----------------------------|----------------|
| Kodiak (9 bush communities) | \$125,774 |
| Akutan | 343,246 |
| Cordova | 273,000 |
| Gustavus | 273,000 |
| Adak | 1,312,435 |
| Cape Yakataga | 30,870 |
| Central | 17,975 |
| Chatham | 5,129 |
| Circle | 17,976 |
| Cordova | 273,097 |
| Funter Bay | 5,129 |
| Gulkana | 93,131 |
| Gustavus | 273,097 |
| Healy Lake | 38,605 |
| Hydaburg | 55,443 |
| Icy Bay | 30,870 |
| May Creek | 29,594 |
| McCarthy | 29,594 |
| Nikolski | 45,033 |
| Petersburg | 273,097 |
| Port Alexander | 24,583 |
| Seward | 82,878 |
| Wrangell | 273,097 |
| Yakutat | 273,897 |
| Total Alaska EAS Subsidy | 4,200,550 |

²² Information about Essential Air Service was drawn primarily from General Accounting Office documents prepared for a 2000 Congressional Subcommittee on Aviation meeting to discuss the future of the program and available at <http://www.airportnet.org/depts/federal/eryn99/easbackground.pdf>

The program affects approximately 500,000 passengers per year nationwide, with the average subsidy per passenger approximately \$80. The average load factor in 1999 on EAS flights was 19 percent, compared with 70 percent overall for most major airlines. As fuel and airport costs rise and the size of aircraft used to provide EAS flights increases, the program grows more and more expensive. Another significant contributor to increased costs has been the Commuter Safety Initiative, which mandates "one standard of safety" for both major and commuter airlines.

The subsidy is calculated to cover an airline's cost plus a reasonable profit, less any revenue collected on the route. This means that any cost increases are charged entirely to the program. In spite of this, fewer and fewer airlines have shown an interest in EAS routes, in part because airline consolidation has reduced the effects of competition in the industry.

No estimate has been identified of the impact, if any, of the campaign against terrorism on the cost of essential air service. However, the events of September 11 have reportedly caused the US Department of Transportation, which was already considering cutting EAS to some communities, to review the program. According to the US DOT web site, the FY 2003 Office of the Secretary budget requests \$117 million for EAS. The request is accompanied by proposed language that would allow the program to be "targeted to the communities with the greatest need."

SJR

7

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: SJR007-OOG-LGO-5-01-07
 Bill Version: SJR 7
 () Publish Date: _____

Revision Date/Time (Note if correction): _____
 Title: Opposing the enactment of the provisions in the Next
Generation Air Trans. System Financing Reform Act of 2007
 Sponsor Senator Olson
 Requester Senate Transportation Committee

Dept. Affected: OOG
 RDU Office of the Lt. Governor
 Component Office of the Lt. Governor
 Component No. 11

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type--Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This resolution will have no fiscal impact on the Office of the Lt. Governor.

Prepared by: Gail Fenumiai, Asst. Administrative Director
 Division Division of Administrative Services
 Approved by: Jim Merriner, Chief of Staff
 Agency Office of the Lt. Governor

Phone 465-3885
 Date/Time 5/1/2007, 9:05am
 Date 5/1/2007

SENATE-HOUSE HISTORY (continued)

20

Version Received from the House: _____

Concur in House Amendment
 Y ___ N ___ E ___ A ___

[] EFD same or Y ___ N ___ E ___ A ___

Failed concur in House amd., ask House recede
 Y ___ N ___ E ___ A ___

House failed to recede from amendment
 Y ___ N ___ E ___ A ___

CC appointed by Senate _____ Chair

CC appointed by House _____ Chair

(S) Granted Limited Powers of Free Conference

(H) Granted Limited Powers of Free Conference

20

(S) Adopted CC Rpt _____
 Y ___ N ___ E ___ A ___

[] EFD same or Y ___ N ___ E ___ A ___

(H) Adopted CC Rpt _____
 Y ___ N ___ E ___ A ___

[] EFD same or Y ___ N ___ E ___ A ___

Sent to enrolling
 Received from Enrolling _____ Manifest Error

Sent to Governor
 By Governor _____

Legislative Resolve Number _____

Filed with Lieutenant Governor _____

50 HISTORY IN THE SENATE

50 HISTORY IN THE HOUSE

**CS FOR SENATE JOINT RESOLUTION NO. 7()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

BY

Offered:

Referred:

Sponsor(s): SENATOR OLSON

A RESOLUTION

1 **Opposing the enactment of the provisions in the Next Generation Air Transportation**
2 **System Financing Reform Act of 2007 that impose air traffic control user fees, increase**
3 **aviation fuel and aviation gas taxes on the operators of propeller-driven or rotor-**
4 **equipped aircraft used for transportation between points within the State of Alaska,**
5 **reduce airport funding, and reduce Congressional oversight of the Federal Aviation**
6 **Administration.**

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

8 **WHEREAS**, because of Alaska's geography and its many isolated communities
9 without road access, the state has historically relied heavily on general aviation as a major
10 component of its transportation system; and

11 **WHEREAS** the people of Alaska continue to depend on general aviation to move and
12 distribute mail, supplies, goods, and people around the state; and

13 **WHEREAS**, as of May 1999, Alaska had 10,605 licensed pilots and 8,053 registered
14 aircraft, approximately one pilot and one aircraft for every 61 Alaskans; and

1 **WHEREAS** it is estimated Alaska has about six times as many pilots per capita and
2 16 times as many aircraft per capita as the rest of the United States; and

3 **WHEREAS** Alaska ranks sixth in the total number of airports with 583, including
4 heliports and seaplane bases, a number that equals approximately 3.5 percent of the total
5 number of airports in the United States; and

6 **WHEREAS** Alaska is among the top states in the number of seaplane bases with 102,
7 approximately 25 percent of the United States total; and

8 **WHEREAS** Alaska has two of the world's largest seaplane bases in the world with
9 Lake Hood in Anchorage, which accommodates more than 800 takeoffs and landings on a
10 peak summer day, and Ketchikan, where approximately 16,000 takeoffs and landings by
11 seaplanes and general aviation planes occur in each month in the summer; and

12 **WHEREAS** H.R. 1356 and S. 1076, companion bills proposing the Next Generation
13 Air Transportation System Financing Reform Act of 2007, that are pending before the United
14 States Congress would increase the tax on aviation gas from 19.4 cents a gallon to 70 cents a
15 gallon and the tax on aviation fuel from 21.9 cents a gallon to 70 cents a gallon and would
16 implement fees associated with the use of the National Airspace System; and

17 **WHEREAS** the Next Generation Air Transportation System Financing Reform Act of
18 2007 proposes to remove Congressional oversight of the Federal Aviation Administration;
19 and

20 **WHEREAS** because of Alaska's unique geography and dependence on general
21 aviation, such an increase in taxes, implementation of user fees, and reduction of airport
22 funding would be detrimental to the economy of this state and would have a particularly harsh
23 impact on many isolated rural communities;

24 **BE IT RESOLVED** that the Alaska State Legislature respectfully opposes the
25 enactment of the provisions in the Next Generation Air Transportation System Financing
26 Reform Act of 2007 that impose user fees, increase aviation fuel and aviation gas taxes on the
27 operators of propeller-driven or rotor-equipped aircraft used for transportation between points
28 within the State of Alaska, reduce airport funding and reduce Congressional oversight of the
29 Federal Aviation Administration.

30 **COPIES** of this resolution shall be sent to the Honorable Bart Gordon, Chair of the
31 U.S. House of Representatives Committee on Science and Technology; the Honorable Ralph

1 Hall, Ranking Member of the U.S. House of Representatives Committee on Science and
2 Technology; the Honorable Mark Udall, Chair of the Subcommittee on Science and
3 Aeronautics of the U.S. House of Representatives Committee on Science and Technology; the
4 Honorable Ken Calvert, Ranking Member of the Subcommittee on Science and Aeronautics
5 of the U.S. House of Representatives Committee on Science and Technology; the Honorable
6 James Oberstar, Chair of the U.S. House of Representatives Committee on Transportation and
7 Infrastructure; the Honorable John L. Mica, Ranking Member of the U.S. House of
8 Representatives Committee on Transportation and Infrastructure; the Honorable Jerry F.
9 Costello, Chair of the Subcommittee on Aviation of the U.S. House of Representatives
10 Committee on Transportation and Infrastructure; the Honorable Thomas E. Petri, Ranking
11 Member of the Subcommittee on Aviation of the U.S. House of Representatives Committee
12 on Transportation and Infrastructure; the Honorable Charles B. Rangel, Chair of the U.S.
13 House of Representatives Committee on Ways and Means; the Honorable Jim McCrery,
14 Ranking Member of the U.S. House of Representatives Committee on Ways and Means; the
15 Honorable Daniel Inouye, Chair of the U.S. Senate Committee on Commerce, Science, and
16 Transportation; the Honorable John D. Rockefeller IV, Chair of the Subcommittee on
17 Aviation Operations, Safety, and Security of the U.S. Senate Committee on Commerce,
18 Science, and Transportation; the Honorable Trent Lott, Ranking Member of the
19 Subcommittee on Aviation Operations, Safety, and Security of the U.S. Senate Committee on
20 Commerce, Science, and Transportation; the Honorable John Katz, Director of State and
21 Federal Relations and Special Counsel to the Governor of Alaska; and the Honorable Ted
22 Stevens and the Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young,
23 U.S. Representative, members of the Alaska delegation in Congress.

SENATE JOINT RESOLUTION NO. 7
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY SENATOR OLSON

Introduced: 4/25/07

Referred: Transportation

A RESOLUTION

1 **Opposing the enactment of the provisions in the Next Generation Air Transportation**
 2 **System Financing Reform Act of 2007 that impose air traffic control user fees, increase**
 3 **aviation fuel and aviation gas taxes, reduce airport funding, and reduce Congressional**
 4 **oversight of the Federal Aviation Administration.**

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

6 **WHEREAS**, because of Alaska's geography and its many isolated communities
 7 without road access, the state has historically relied heavily on general aviation as a major
 8 component of its transportation system; and

9 **WHEREAS** the people of Alaska continue to depend on general aviation to move and
 10 distribute mail, supplies, goods, and people around the state; and

11 **WHEREAS**, as of May 1999, Alaska had 10,605 licensed pilots and 8,053 registered
 12 aircraft, approximately one pilot and one aircraft for every 61 Alaskans; and

13 **WHEREAS** it is estimated Alaska has about six times as many pilots per capita and
 14 16 times as many aircraft per capita as the rest of the United States; and

15 **WHEREAS** Alaska ranks sixth in the total number of airports with 583, including

1 heliports and seaplane bases, a number that equals approximately 3.5 percent of the total
2 number of airports in the United States; and

3 **WHEREAS** Alaska is among the top states in the number of seaplane bases with 102,
4 approximately 25 percent of the United States total; and

5 **WHEREAS** Alaska has two of the world's largest seaplane bases in the world with
6 Lake Hood in Anchorage, which accommodates more than 800 takeoffs and landings on a
7 peak summer day, and Ketchikan, where approximately 16,000 takeoffs and landings by
8 seaplanes and general aviation planes occur in each month in the summer; and

9 **WHEREAS** H.R. 1356 and S. 1076, companion bills proposing the Next Generation
10 Air Transportation System Financing Reform Act of 2007, that are pending before the United
11 States Congress would increase the tax on aviation gas from 19.4 cent a gallon to 70 cents a
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13 implement fees associated with the use of the National Airspace System; and

14 **WHEREAS** the Next Generation Air Transportation System Financing Reform Act of
15 2007 proposes to remove Congressional oversight of the Federal Aviation Administration;
16 and

17 **WHEREAS** because of Alaska's unique geography and dependence on general
18 aviation, such an increase in taxes, implementation of user fees, and reduction of airport
19 funding would be detrimental to the economy of this state and would have a particularly harsh
20 impact on many isolated rural communities;

21 **BE IT RESOLVED** that the Alaska State Legislature respectfully opposes the
22 enactment of the provisions in the Next Generation Air Transportation System Financing
23 Reform Act of 2007 that impose user fees, increase aviation fuel and aviation gas taxes,
24 reduce airport funding, and reduce Congressional oversight of the Federal Aviation
25 Administration.

26 **COPIES** of this resolution shall be sent to the Honorable Bart Gordon, Chair of the
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28 Hall, Ranking Member of the U.S. House of Representatives Committee on Science and
29 Technology; the Honorable Mark Udall, Chair of the Subcommittee on Science and
30 Aeronautics of the U.S. House of Representatives Committee on Science and Technology; the
31 Honorable Ken Calvert, Ranking Member of the Subcommittee on Science and Aeronautics

1 of the U.S. House of Representatives Committee on Science and Technology; the Honorable
2 James Oberstar, Chair of the U.S. House of Representatives Committee on Transportation and
3 Infrastructure; the Honorable John L. Mica, Ranking Member of the U.S. House of
4 Representatives Committee on Transportation and Infrastructure; the Honorable Jerry F.
5 Costello, Chair of the Subcommittee on Aviation of the U.S. House of Representatives
6 Committee on Transportation and Infrastructure; the Honorable Thomas E. Petri, Ranking
7 Member of the Subcommittee on Aviation of the U.S. House of Representatives Committee
8 on Transportation and Infrastructure; the Honorable Charles B. Rangel, Chair of the U.S.
9 House of Representatives Committee on Ways and Means; the Honorable Jim McCrery,
10 Ranking Member of the U.S. House of Representatives Committee on Ways and Means; the
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12 Transportation; the Honorable John D. Rockefeller IV, Chair of the Subcommittee on
13 Aviation Operations, Safety, and Security of the U.S. Senate Committee on Commerce,
14 Science, and Transportation; the Honorable Trent Lott, Ranking Member of the
15 Subcommittee on Aviation Operations, Safety, and Security of the U.S. Senate Committee on
16 Commerce, Science, and Transportation; the Honorable John Katz, Director of State and
17 Federal Relations and Special Counsel to the Governor of Alaska; and the Honorable Ted
18 Stevens and the Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young,
19 U.S. Representative, members of the Alaska delegation in Congress.

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON



ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

Sponsor Statement Senate Joint Resolution 7

Oppose Changes in Federal Aviation Laws

Companion bills HB 1356 and SB 1076 are currently pending before Congress. These pieces of legislation comprise the "Next Generation Transportation System Financing Reform Act of 2007. This legislation imposes an unusually large increase in taxes on aviation fuel and aviation gas. Currently the tax on aviation gas is 19.4 cents per gallon, and the tax on aviation fuel is 21.9 cents per gallon. Both taxes will increase to 70 cents per gallon. Percentage increases of 360% and 319% respectively.

Both urban and rural pilots will be adversely affected by these planned tax increases. There are 10,650 licensed pilots and 8,053 registered aircraft in Alaska. The already high cost of air travel within the state of Alaska will be out of reach for many residents who live in or have family members in rural areas. Flying is often the only mode of transportation in and out of communities, and the only way that supplies and other goods are shipped to rural residents.

SJR 7 will support Alaska's Congressional delegation and key members of Congress in their opposition to these two pieces of legislation.

(SJR 7 Sponsor statement prepared 04 27 07)

HEB

8

Alaska State Legislature
House of Representatives

Chair, House Judiciary
Labor & Commerce
Oil & Gas
Military & Veteran Affairs

1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146



While in session
State Capitol, Room 118
Juneau, Alaska 99801-1182
(907) 465-3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004

Representative Jay Ramras
District 10

March 23, 2007

Senator Albert Kookesh, Chair
Senate Transportation Committee

RE: HB 8, Kevin Lamm Facility

Dear Senator Kookesh,

Please accept this memo as a hearing request for HB 8 in the Senate Transportation Committee. Attached is the bill and pertinent information for your review.

Please contact Barbara Cotting at extension 6841 with any questions.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Ramras".

Representative Jay Ramras
JR/bc

Alaska State Legislature

Session:

State Capitol, Room 118
Juneau, Alaska 99801-1182
Ph: (907) 465-3004
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**Interim:**

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Representative Jay Ramras House District 10

Chair, House Judiciary Committee • Member, House Labor & Commerce Committee • Member, House Oil & Gas Committee • Member, House Military & Veteran Affairs Committee

SPONSOR STATEMENT

03/23/07

House Bill 8

“An Act naming the law enforcement training facility in Fairbanks the J. Kevin Lamm Law Enforcement Training Facility”

Interior Alaska is in desperate need of a new law enforcement training facility. Due to the expansion of the Fairbanks International Airport facilities and runway extensions, a conflict has been created that may soon slate the current range for destruction. Currently, there are over 30 agencies who share the range. A new range is under consideration in a more secure area.

House Bill 8 is about a new name for the new range.

Kevin Lamm was known at the Fairbanks Police Department for being an excellent officer, both for the job he did in the field and the way he dealt with people.

He was shot and killed after responding to check on a suicidal man with two other officers. As they were entering the house they were fired upon. One of the officers was struck in the head and wounded. Officer Lamm immediately took cover and returned fire, drawing the suspect's attention. He was shot and fatally wounded while heroically giving his partners a chance to escape.

I request your support in naming the new training range in Fairbanks the J. Kevin Lamm Law Enforcement Training Facility.

The Officer Down Memorial Page, Inc.

The Officer Down Memorial Page Remembers . . .

**Patrol Officer John Kevin Lamm****Fairbanks Police Department
Alaska**

End of Watch: Thursday, January 1, 1998

Biographical Info**Age:** 26**Tour of Duty:** 3 years**Badge Number:** 338**Incident Details****Cause of Death:** Gunfire**Date of Incident:** Thursday, January 1, 1998**Weapon Used:** Rifle; AR-15**Suspect Info:** Committed suicide

Officer Lamm was shot and killed after responding to check on a suicidal man with two other officers. As they were making entry to the house they were fired upon with an AR-15 rifle which had been converted to 7.62x39. One of the other officers was immediately struck in the head and wounded.

Officer Lamm immediately took cover behind a nearby couch and returned fire, drawing the suspect's attention away from his two partners. He was fatally wounded while giving his two partners a chance to escape the apartment.

After a 90 minute standoff the tactical team entered the residence and found the suspect dead from a self inflicted gunshot wound.

Officer Lamm had served with the agency for 3 years. He is survived by his wife, whom he had married only 12 days prior to his murder, son, parents, and two brothers.

- » [View this officer's Reflections](#)
- » [Leave a Reflection](#)
- » [List all officers from this agency](#)
- » [Update this memorial](#)
- » [Printer friendly view](#)

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USER GROUPS – AIRPORT RANGE

**Fairbanks International Airport Fire/Police
Fairbanks Police Department
North Pole Police Department
University of Alaska Police Department
Alaska Defense Force
Alaska Environmental Protection Agency
Alaska Fish & Wildlife Conservation
Alaska National Guard
Alaska Railroad Police
Alaska State Parks
Alaska State Troopers
Fairbanks Correctional Center
State and Local Police (SERT) Special Emergency Response Teams
Tanana Valley Community College interior law enforcement academy**

**Alaska International Defensive Pistol Association
Tanana Valley Sportsman Association
Golden Heart Shootist Association**

**Doyon/Alyeska Security
Securitas Security Services USA Inc
Loomis Fargo & Company**

**Bureau of Land Management
Drug Enforcement Administration
Fort Wainwright Military, Federal Police and CID
Federal Bureau of Investigation
Internal Revenue Service
Transportation Security Administration
US Customs & Border Protection
US Fish & Wildlife Service
US Federal Probation
US Geological Survey
US Marshals Service**

Rep Ramras

GARY WILKEN
SENATOR
Fairbanks



State Capitol Building
Juneau, Alaska 99801-1182
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3789 (outside Fbks)
Fax: (907) 465-4714
www.aklegpublic.com.org/wilken
E-Mail: Senator.Gary.Wilken@legis.state.ak.us

January 18, 2007

The Honorable Sarah Palin, Governor
State of Alaska
PO Box 110001
Juneau, AK 99811

Dear Governor Palin,

As we convene the Twenty-Fifth Legislature and begin to prioritize the capital and infrastructure needs of Alaska, we are continuously reminded by our constituents that the core functions of government – public safety, in particular – deserve our utmost support and consideration.

Currently, the basic training needs of the men and women whom we hire to protect our lives and property are either not being met, or are in danger of being eliminated. Local, State, and Federal law enforcement personnel who reside in the Anchorage area do not have a dedicated outdoor shooting range in which to train. And in Fairbanks, the single outdoor law enforcement range which services over twenty-five departments, agencies, and user-groups is threatened with elimination due to Fairbanks International Airport expansion. Unlike Southeast Alaska, where a new outdoor shooting range was constructed in 2002 at the Department Public Safety training facility in Sitka, law enforcement officers in South Central and Interior Alaska do not have appropriate shooting facilities to conduct critically necessary training.

Both Anchorage and Fairbanks must have quality, controlled-access shooting range facilities for police qualification and training. We, the undersigned members of Alaska's Interior legislative delegation, strongly urge your support for these much-

Honorable Governor Palin

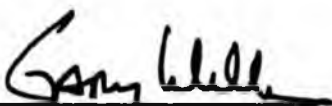
January 18, 2007


Page 2

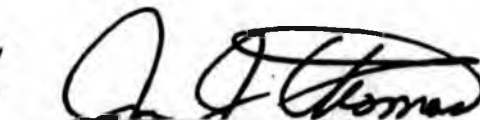
needed facilities and respectfully request that funding be included in your upcoming capital budget.

Thank you for your consideration of this request.

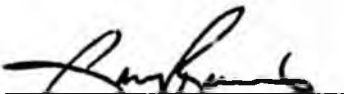
Sincerely,


Senator Gary Wilken

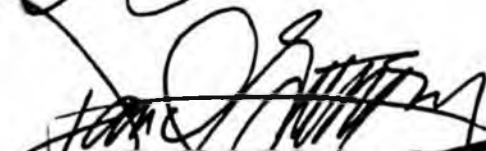

Senator Gene Therriault


Senator Joe Thomas


Rep. John Coghill, Jr.


Rep. Jay Ramras


Rep. Mike Kelly


Rep. David Guttenberg


Rep. Scott Kawasaki

Cc: Mr. Walt Monegan, Commissioner, Alaska Department of Public Safety
Mr. Steve Thompson, Mayor, City of Fairbanks
Mr. Daniel Hoffman, Chief, City of Fairbanks Police Department

HOUSE BILL NO. 8

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES RAMRAS, Fairclough

Introduced: 1/16/07

Referred: Transportation

A BILL

FOR AN ACT ENTITLED

1 **"An Act naming the law enforcement training facility in Fairbanks the J. Kevin Lamm**
2 **Law Enforcement Training Facility."**

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

4 *** Section 1.** AS 35.40 is amended by adding a new section to read:

5 **Sec. 35.40.210. J. Kevin Lamm Law Enforcement Training Facility.** The
6 new law enforcement training facility to be constructed near the Fairbanks airport is
7 named the J. Kevin Lamm Law Enforcement Training Facility.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: HB8-DPS-AST-2-9-07
 Bill Version: HB 8
 () Publish Date: _____

Revision Date/Time : _____ Dept. Affected: Public Safety
 Title "An Act naming the law enforcement training ..." RDU Alaska State Troopers
 Component AST Detachments
 Sponsor Representative Ramras
 Requester House Transportation Committee Component No. 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| FUND SOURCE | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type--Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2007) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

| POSITIONS | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|-----------|---------|---------|---------|---------|---------|---------|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This bill names the new law enforcement training facility (shooting range) near the Fairbanks airport the "J. Kevin Lamm Law Enforcement training Facility". J. Kevin Lamm was a Fairbanks Police Officer killed in the line of duty January 1, 1998.

There is no cost associated with this bill. All signage costs will be paid for by the Alaska Police Officers Association.

Prepared by: Lt. Rodney Dial Phone 907-247-4480
 Division Division of Alaska State Troopers Date/Time 2/9/07 1600
 Approved by: Commissioner Walt Monegan Date 2/14/2007
 Agency Department of Public Safety

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 8
 (H) Publish Date: 3/7/07

Revision Date/Time : _____ Dept. Affected: Public Safety
 Title "An Act naming the law enforcement training . . ." RDU Alaska State Troopers
 Component AST Detachments
 Sponsor Representative Ramras
 Requester House Transportation Committee Component No. 2325

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|------------------------|------------|------------|------------|------------|------------|------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | | | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

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| CAPITAL EXPENDITURES | | | | | | |
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| CHANGE IN REVENUES () | | | | | | |
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FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|---|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type--Do not abbreviate) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2007) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)
 This bill names the new law enforcement training facility (shooting range) near the Fairbanks airport the "J. Kevin Lamm Law Enforcement training Facility". J. Kevin Lamm was a Fairbanks Police Officer killed in the line of duty January 1, 1998.

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Prepared by: Lt. Rodney Dial Phone 907-247-4480
 Division Division of Alaska State Troopers Date/Time 2/9/07 1600
 Approved by: Commissioner Walt Monegan Date 2/14/2007
 Agency Department of Public Safety

SENATE COMMITTEE REPORT

DATE: 3/23/07

FURTHER: State Affairs

DATE TURNED
IN TO OFFICE: _____

Transportation Committee considered HOUSE BILL NO. 8

HB 8 J. KEVIN LAMM TRAINING FACILITY

"An Act naming the law enforcement training facility in Fairbanks the J. Kevin Lamm Law Enforcement Training Facility."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|------|--------|--------|------|-----|
| | | | | | |
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PREVIOUS FISCAL NOTE(S):

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|------|--------|--------|------|-----|
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APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | PRINTED LAST NAME | DO PASS | DO NOT PASS | NO REC | AMEND |
|---------------------------------|-------------------|---------|-------------|--------|-------|
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| CHAIR: | | | | | |

1st
pre file
release

ALASKA STATE LEGISLATURE
HOUSE BILL NO. 8

HISTORY IN THE HOUSE

2007

Read first time and referred to:

TRA

1/16

3/7

TRA RPT CS() New Title
1 DP ϕ DNP 3 NR ϕ AM
FN 1 OFN / Prev: FN OFN

RPT CS() New Title
DP DNP NR AM
FN OFN / Prev: FN OFN

RPT CS() New Title
DP DNP NR AM
FN OFN / Prev: FN OFN

RPT CS() New Title
DP DNP NR AM
FN OFN / Prev: FN OFN

3/19

Read second time

[] CS() Adopted [] New Title

[] Amended
[x] NOT Advanced / 3rd Rdg. 3/21

3/21

Read third time

[] Title Amendment
[] Return to 2nd & amended

[x] Passed Y 39 N 1 E ϕ A ϕ
[] EFD same or Y N E A
[] CBR same or Y N E A
[] CRT same or Y N E A
[]

Reconsideration

Reconsideration not taken up

[] Title Amendment
[] Return to 2nd & amended

[] Passed/Rec Y N E A
[] EFD same or Y N E A
[] CBR same or Y N E A
[] CRT same or Y N E A
[]

3/21

Engrossed, signed by the Speaker
Transmitted to the Senate

Signatures
Chief Clerk of the House

HISTORY IN THE SENATE

2007

Read first time and referred to:

TRA, STA

3/23

RPT SCS() NT: SCR
DP DNP NR AM
FN OFN / Prev: FN OFN

RPT SCS() NT: SCR
DP DNP NR AM
FN OFN / Prev: FN OFN

RPT SCS() NT: SCR
DP DNP NR AM
FN OFN / Prev: FN OFN

Read second time

[] SCS() Adopted [] New Title
SCR No. _____

[] Amended
[] Advanced / 3rd Rdg. _____

Read third time

[] Title Amendment
[] Return to 2nd & amended

[] Passed Y N E A
[] EFD same or Y N E A
[] CBR same or Y N E A
[] CRT same or Y N E A
[]

Reconsideration

Reconsideration not taken up

[] Title Amendment
[] Return to 2nd & amended

[] Passed/Rec Y N E A
[] EFD same or Y N E A
[] CBR same or Y N E A
[] CRT same or Y N E A
[]

Engrossed, signed by the President
Returned to the House

Secretary of the Senate

HOUSE-SENATE HISTORY (continued)

20

Version Received from the Senate:

Concur in Senate Amendment

Y ___ N ___ E ___ A ___

[] EFD same or Y ___ N ___ E ___ A ___

[] CBR same or Y ___ N ___ E ___ A ___

[] CRT same or Y ___ N ___ E ___ A ___

Failed concur in Senate amd., ask Senate recede

Y ___ N ___ E ___ A ___

Senate failed to recede from amendment

Y ___ N ___ E ___ A ___

CC appointed by House _____ Chair

CC appointed by Senate _____ Chair

(H) Granted Limited Powers of Free Conference

(S) Granted Limited Powers of Free Conference

20

(H) Adopted CC Rpt _____

Y ___ N ___ E ___ A ___

[] EFD same or Y ___ N ___ E ___ A ___

[] CBR same or Y ___ N ___ E ___ A ___

[] CRT same or Y ___ N ___ E ___ A ___

(S) Adopted CC Rpt _____

Y ___ N ___ E ___ A ___

[] EFD same or Y ___ N ___ E ___ A ___

[] CBR same or Y ___ N ___ E ___ A ___

[] CRT same or Y ___ N ___ E ___ A ___

Sent to enrolling

Received from Enrolling _____ Manifest Error

Sent to Governor

_____ By Governor

Chapter Number _____

Filed with Lieutenant Governor

SENATE COMMITTEE REPORT

DATE: 3/23/07

FURTHER: State Affairs

DATE TURNED
IN TO OFFICE: 4-10-07

Transportation Committee considered HOUSE BILL NO. 8

HB 8 J. KEVIN LAMM TRAINING FACILITY

"An Act naming the law enforcement training facility in Fairbanks the J. Kevin Lamm Law Enforcement Training Facility."

and recommends:

- be replaced with SCS or CS _____ (_____)
- adopt previous SCS or CS _____ (_____)
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SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

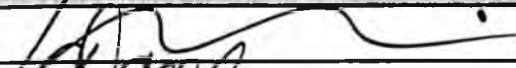

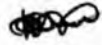

NEW FISCAL NOTE(S):

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|------|--------|--------|------|-----|
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PREVIOUS FISCAL NOTE(S):

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|---------|--------|--------|------|-----|
| DPS | 3/23/07 | 0 | | ✓ | 2 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | PRINTED LAST NAME | Do PASS | Do NOT PASS | No REC | AMEND |
|--|-------------------|---------|-------------|---|-------|
|  | Wielochowski | | | ✓ | |
|  | Olsen | ✓ | |  | |
| | | | | | |
| | | | | | |
| | | | | | |
| CHAIR:  | Koshel | ✓ | | | |

HOUSE BILL NO. 8

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES RAMRAS, Fairclough, Dahlstrom

Introduced: 1/16/07

Referred: Transportation

A BILL

FOR AN ACT ENTITLED

1 **"An Act naming the law enforcement training facility in Fairbanks the J. Kevin Lamm**
2 **Law Enforcement Training Facility."**

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

4 *** Section 1. AS 35.40 is amended by adding a new section to read:**

5 **Sec. 35.40.210. J. Kevin Lamm Law Enforcement Training Facility. The**
6 **new law enforcement training facility to be constructed near the Fairbanks airport is**
7 **named the J. Kevin Lamm Law Enforcement Training Facility.**

Alaska State Legislature

Session:

State Capitol, Room 118
Juneau, Alaska 99801-1182
Ph: (907) 465-3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004

**Interim:**

1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Ph: (907) 452-1088
Fax: (907) 452-1146
Toll Free: (877) 465-3004

Representative Jay Ramras House District 10

Chair, House Judiciary Committee • Member, House Labor & Commerce Committee • Member, House Oil & Gas Committee • Member, House Military & Veteran Affairs Committee

SPONSOR STATEMENT

03/23/07

House Bill 8

“An Act naming the law enforcement training facility in Fairbanks the J. Kevin Lamm Law Enforcement Training Facility”

Interior Alaska is in desperate need of a new law enforcement training facility. Due to the expansion of the Fairbanks International Airport facilities and runway extensions, a conflict has been created that may soon slate the current range for destruction. Currently, there are over 30 agencies who share the range. A new range is under consideration in a more secure area.

House Bill 8 is about a new name for the new range.

Kevin Lamm was known at the Fairbanks Police Department for being an excellent officer, both for the job he did in the field and the way he dealt with people.

He was shot and killed after responding to check on a suicidal man with two other officers. As they were entering the house they were fired upon. One of the officers was struck in the head and wounded. Officer Lamm immediately took cover and returned fire, drawing the suspect's attention. He was shot and fatally wounded while heroically giving his partners a chance to escape.

I request your support in naming the new training range in Fairbanks the J. Kevin Lamm Law Enforcement Training Facility.

E-Mail Representative_Jay_Ramras@legis.state.ak.us



The Officer Down Memorial Page Remembers . . .

**Patrol Officer John Kevin Lamm**

**Fairbanks Police Department
Alaska**

End of Watch: Thursday, January 1, 1998

Biographical Info

Age: 26

Tour of Duty: 3 years

Badge Number: 338

**Incident Details**

Cause of Death: Gunfire

Date of Incident: Thursday, January 1, 1998

Weapon Used: Rifle; AR-15

Suspect Info: Committed suicide

Officer Lamm was shot and killed after responding to check on a suicidal man with two other officers. As they were making entry to the house they were fired upon with an AR-15 rifle which had been converted to 7.62x39. One of the other officers was immediately struck in the head and wounded.

Officer Lamm immediately took cover behind a nearby couch and returned fire, drawing the suspect's attention away from his two partners. He was fatally wounded while giving his two partners a chance to escape the apartment.

After a 90 minute standoff the tactical team entered the residence and found the suspect dead from a self inflicted gunshot wound.

Officer Lamm had served with the agency for 3 years. He is survived by his wife, whom he had married only 12 days prior to his murder, son, parents, and two brothers.

- » [View this officer's Reflections](#)
- » [Leave a Reflection](#)
- » [List all officers from this agency](#)
- » [Update this memorial](#)
- » [Printer friendly view](#)

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USER GROUPS – AIRPORT RANGE

Fairbanks International Airport Fire/Police
Fairbanks Police Department
North Pole Police Department
University of Alaska Police Department
Alaska Defense Force
Alaska Environmental Protection Agency
Alaska Fish & Wildlife Conservation
Alaska National Guard
Alaska Railroad Police
Alaska State Parks
Alaska State Troopers
Fairbanks Correctional Center
State and Local Police (SERT) Special Emergency Response Teams
Tanana Valley Community College interior law enforcement academy

Alaska International Defensive Pistol Association
Tanana Valley Sportsman Association
Golden Heart Shootist Association

Doyon/Alyeska Security
Securitas Security Services USA Inc
Loomis Fargo & Company

Bureau of Land Management
Drug Enforcement Administration
Fort Wainwright Military, Federal Police and CID
Federal Bureau of Investigation
Internal Revenue Service
Transportation Security Administration
US Customs & Border Protection
US Fish & Wildlife Service
US Federal Probation
US Geological Survey
US Marshals Service

Rep Ramras

GARY WILKEN
SENATOR
Fairbanks



State Capital Building
Juneau, Alaska 99801-1182
Tel: 451-5881 (from Fbks)
Tel: (907) 465-3789 (outside Fbks)
Fax: (907) 465-4714
www.akrepublicans.org/wilken
E-Mail: Senator.Gary.Wilken@legis.state.ak.us

January 18, 2007

The Honorable Sarah Palin, Governor
State of Alaska
PO Box 110001
Juneau, AK 99811

Dear Governor Palin,

As we convene the Twenty-Fifth Legislature and begin to prioritize the capital and infrastructure needs of Alaska, we are continuously reminded by our constituents that the core functions of government – public safety, in particular – deserve our utmost support and consideration.

Currently, the basic training needs of the men and women whom we hire to protect our lives and property are either not being met, or are in danger of being eliminated. Local, State, and Federal law enforcement personnel who reside in the Anchorage area do not have a dedicated outdoor shooting range in which to train. And in Fairbanks, the single outdoor law enforcement range which services over twenty-five departments, agencies, and user-groups is threatened with elimination due to Fairbanks International Airport expansion. Unlike Southeast Alaska, where a new outdoor shooting range was constructed in 2002 at the Department Public Safety training facility in Sitka, law enforcement officers in South Central and Interior Alaska do not have appropriate shooting facilities to conduct critically necessary training.

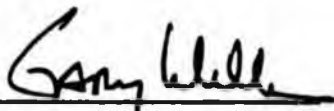
Both Anchorage and Fairbanks must have quality, controlled-access shooting range facilities for police qualification and training. We, the undersigned members of Alaska's Interior legislative delegation, strongly urge your support for these much-

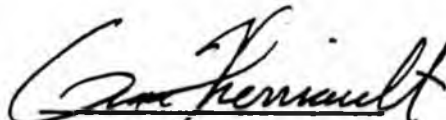
Honorable Governor Palin
January 18, 2007
Page 2

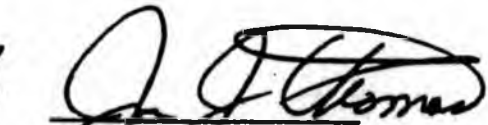
needed facilities and respectfully request that funding be included in your upcoming capital budget.

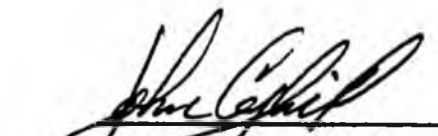
Thank you for your consideration of this request.

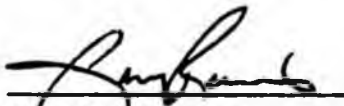
Sincerely,


Senator Gary Wilken



Senator Gene Therriault


Senator Joe Thomas


Rep. John Coghill, Jr.


Rep. Jay Ramras


Rep. Mike Kelly


Rep. David Guttenberg


Rep. Scott Kawasaki

Cc: Mr. Walt Monegan, Commissioner, Alaska Department of Public Safety
Mr. Steve Thompson, Mayor, City of Fairbanks
Mr. Daniel Hoffman, Chief, City of Fairbanks Police Department

Chair, House Judiciary
Labor & Commerce
Oil & Gas
Military & Veteran Affairs

1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature
House of Representatives



While in session
State Capitol, Room 118
Juneau, Alaska 99801-1182
(907) 465-3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004

Representative Jay Ramras
District 10

March 23, 2007

Senator Albert Kookesh, Chair
Senate Transportation Committee

RE: HB 8. Kevin Lamm Facility

Dear Senator Kookesh,

Please accept this memo as a hearing request for HB 8 in the Senate Transportation Committee. Attached is the bill and pertinent information for your review.

Please contact Barbara Cotting at extension 6841 with any questions.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Ramras".

Representative Jay Ramras
JR/bc