

SPONSOR STATEMENT FOR SB 358

"An Act relating to performance of railroad track construction work for the Department of Transportation ... by the Alaska Railroad"

This legislation deals with situations where railroad construction work must be done at places where the railroad tracks cross state roadways.

Traditionally, the Department of Transportation (DOT) would treat the railroad as if it were a utility, such as a power company. For example, should a power line have to be moved to accommodate road construction or maintenance, DOT would simply reach an agreement with the utility to accommodate the construction work needed. The same case applied with the Alaska Railroad.

When the procurement code was amended in 1996, the Railroad was instead treated as if it were a contractor, and it was required to bid on any track work that needed to be done. For a time, other Alaska contractors bid – and won – such work. That, however, is no longer the case, leaving the Alaska Railroad as the only qualified bidder.

Trouble is, the railroad, business-wise, does not operate as a contractor for a few different reasons. Mainly, the Railroad does not manage and estimate work because union agreements do not allow payment as defined in the “Prevailing Wage Act.”

SB 358 amends the procurement code to allow DOT to work with the Alaska Railroad as it did prior to 1996. With [SB 358](#) in place, DOT will again work with the railroad as if it is a utility.