

Change Record Detail With Description
Department of Law

Scenario: FY2013 Supplemental (10508)
Component: Transportation Section (AR 13715) (2214)
RDU: Civil Division (35)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
FY2013 Supplemental												
Fast Ferry Litigation, Lapses 6/30/12, 6/30/13, & 6/30/14												
(Language)	Suppl	1,500.0	0.0	0.0	1,500.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1,500.0										
Section 10(c), ch. 5, SLA 2012, is amended to read:												
(c) The sum of [\$600,000] \$2,100,000 is appropriated from the general fund to the Department of Law, civil division, transportation section, for the purpose of paying the costs associated with fast ferry litigation for the fiscal years ending June 30, 2012, [and] June 30, 2013, and June 30, 2014.												
Additional funding is needed for the lawsuit brought by the Alaska Marine Highway System in connection with the defective engines installed in the fast ferries Fairweather and Chenega. The increased cost is due to the court's postponement of the trial from September 2012 to April 2013, and because of the increased complexity of the litigation.												
The increased complexity of the case is due to: the state's 2012 amendment of the lawsuit (based on information discovered during the litigation) to allege additional claims for misrepresentation and bad faith business practices; the efforts of the defendants to avoid litigating in Alaska, which efforts have included unsuccessful attempts to remove the case another forum; the ongoing development of engine problems, resulting in the need for additional expert witness analysis; the expansion of the state's damages claims; and the contentious nature of the litigation, which has made it necessary for the state to engage in a very substantial amount of motion work to force the defendants to participate and cooperate.												
This funding is anticipated to be needed through FY2014 (multi-year lapse date) and does not include any possible appeal costs. This is a one-time increment.												
Component Totals		1,500.0	0.0	0.0	1,500.0	0.0	0.0	0.0	0.0	0	0	0