

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

April 6, 2006

1:36 p.m.

MEMBERS PRESENT

Representative Jim Elkins, Co-Chair
Representative Carl Gatto, Co-Chair
Representative Vic Kohring
Representative Woodie Salmon

MEMBERS ABSENT

Representative Mark Neuman
Representative Bill Thomas
Representative Mary Kapsner

COMMITTEE CALENDAR

SENATE BILL NO. 304

"An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

- MOVED HCS SB 304(TRA) OUT OF COMMITTEE

HOUSE BILL NO. 397

"An Act making an appropriation for an upgrade of signal system emergency devices in Anchorage, contingent upon matching funds from the Municipality of Anchorage; and providing for an effective date."

- MOVED HB 397 OUT OF COMMITTEE

HOUSE CONCURRENT RESOLUTION NO. 38

Urging the Department of Transportation and Public Facilities to use the Alaska marine highway system fast ferries efficiently by deploying the fast ferries in northern Lynn Canal and Prince William Sound beginning in the summer of 2006, and to provide data regularly to the affected communities to enable the communities to evaluate the service effectively.

- BILL HEARING POSTPONED

PREVIOUS COMMITTEE ACTION

BILL: SB 304

SHORT TITLE: AIRPORT PARKING SHUTTLES/AIRPORT CHARGES

SPONSOR(S): TRANSPORTATION

02/21/06 (S) READ THE FIRST TIME - REFERRALS
02/21/06 (S) TRA, FIN
02/28/06 (S) TRA AT 1:30 PM BUTROVICH 205
02/28/06 (S) Heard & Held
02/28/06 (S) MINUTE(TRA)
03/09/06 (S) TRA AT 1:30 PM BUTROVICH 205
03/09/06 (S) Moved SB 304 Out of Committee
03/09/06 (S) MINUTE(TRA)
03/10/06 (S) TRA RPT 1DP 2NR
03/10/06 (S) DP: HUGGINS
03/10/06 (S) NR: KOOKESH, FRENCH
03/14/06 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/14/06 (S) Heard & Held
03/14/06 (S) MINUTE(FIN)
03/17/06 (S) FIN RPT 6DP
03/17/06 (S) DP: WILKEN, GREEN, BUNDE, OLSON, DYSON,
STEDMAN
03/17/06 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/17/06 (S) Moved SB 304 Out of Committee
03/17/06 (S) MINUTE(FIN)
03/20/06 (S) TRANSMITTED TO (H)
03/20/06 (S) VERSION: SB 304
03/22/06 (H) READ THE FIRST TIME - REFERRALS
03/22/06 (H) TRA, FIN
03/28/06 (H) TRA AT 1:30 PM CAPITOL 17
03/28/06 (H) Heard & Held
03/28/06 (H) MINUTE(TRA)
04/06/06 (H) TRA AT 1:30 PM CAPITOL 17

BILL: HB 397

SHORT TITLE: APPROP: ANCHORAGE SIGNAL UPGRADE

SPONSOR(S): REPRESENTATIVE(S) ANDERSON

01/25/06 (H) READ THE FIRST TIME - REFERRALS
01/25/06 (H) TRA, CRA, FIN
02/21/06 (H) TRA AT 1:30 PM CAPITOL 17
02/21/06 (H) -- Meeting Canceled --
03/28/06 (H) TRA AT 1:30 PM CAPITOL 17
03/28/06 (H) Heard & Held
03/28/06 (H) MINUTE(TRA)
04/06/06 (H) TRA AT 1:30 PM CAPITOL 17

WITNESS REGISTER

RYAN MAKINSTER, Staff
to Senator John Cowdery
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 304 on behalf of Senator Cowdery, sponsor.

JOHN TORGERSON, Deputy Commissioner
Highways and Public Facilities
Department of Transportation & Public Facilities
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 304.

JOHN BARSALOU, Property Director
Anchorage International Airport
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 304.

JOHN KIEWIK
Municipality of Anchorage
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 397.

CRAIG GOODRICH, Chief
Anchorage Fire Department
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 397.

ACTION NARRATIVE

CO-CHAIR CARL GATTO called the House Transportation Standing Committee meeting to order at [1:36:25 PM](#). Representatives Gatto, Elkins, Kohring, and Salmon were present at the call to order.

SB 304-AIRPORT PARKING SHUTTLES/AIRPORT CHARGES

CO-CHAIR GATTO announced that the first order of business would be SENATE BILL NO. 304, "An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

CO-CHAIR ELKINS moved Amendment 1, labeled 24-LS1678\F.2, Kane, 4/6/06, as follows [original punctuation provided]:

Page 1, lines 2-3:

Delete "holder of a privilege to use the property or a facility"

Insert "concessionaire"

Page 2, lines 8-9:

Delete "person holding a privilege to use the property or facility"

Insert "concessionaire of the airport"

Page 2, line 10, following "person":

Insert "as a condition of on-site access to customers who use the airport facility, unless the charge, rental, or fee was in existence before January 1, 2006, and this exception is not affected if the department amends, increases, or decreases a charge, rental, or fee that was in effect before January 1, 2006"

RYAN MAKINSTER, Staff to Senator John Cowdery, Alaska State Legislature, said, "The bill removes the ability to charge percent-of-gross revenue for off-airport establishments," and on-airport services are exempt. It was brought to his attention that the bill would affect other ratepayers, and he explained that off-airport rental facilities already pay 8 percent of gross revenue. So without the amendment, the bill will affect that group of business people, he stated. Amendment 1 keeps the intent of the bill while excluding all users that already pay such a fee. He said those companies have "obviously been comfortable" with those fees. But the amendment says that the off-airport parking company or any new facility cannot be charged the same way for access to the airport.

CO-CHAIR GATTO asked if [the fee system] would default to another system, or if that would be negotiated.

MR. MAKINSTER said, "Right now it's kind of defaulting to what system they're working on; right now they have a fee schedule. We're not dictating, necessarily, the fee schedule or system that the airport has. We're just saying, unless you're a small group, you're on-air, or you're currently being charged by gross revenue, you won't be charged by that computational method. We're not putting a limit on prices, what the fees are, what they may be. That's been up to the discretion of the department before, and we're not changing that. We're just saying that you

cannot go into a private entity's books to fulfill the obligation to decide fees."

[1:39:25 PM](#)

CO-CHAIR GATTO asked if any system that pertains to gross revenue would have to be across the board for concessions, parking, taxis, or anything else.

MR. MAKINSTER said no, only for similar services. "They're receiving a different privilege depending on the different service groups, so a rental car agency would, in fact, be different than a shuttle agency," he said. It is defined by similarity of business, he explained.

[1:40:21 PM](#)

DAN COFFE, Attorney, Diamond Parking, said he once owned a rental car company and fought paying this fee then, but he doesn't care if the car rental companies remain in the bill or not. He said rental car companies won't "flee the airport" if "we stop charging a \$250 or small percentage fee to off-airport operators." He said they are "trying to blow smoke at you." He stated, "What we are trying to accomplish here, is have a reasonable and appropriate fee for using the curb service applicable to those of us who are operators of shuttle companies." There are a variety of shuttles, including hotel operators and Diamond Parking, he said, and the airport wants to charge Diamond Parking a fee of 8 percent of its gross receipts. Eight percent of their receipts would be \$108,000 per year, and he believes it is contradictory to existing law, which requires reasonable fees. He said he was told his company was using the entire airport because the parking lot would not be there unless the airport existed. That is a disingenuous argument, he opined. He said he told the airport to charge per trip, by permit, or per head for all shuttle companies, "but don't be seeking to tax us with a percentage of the gross revenue."

[1:43:24 PM](#)

MR. COFFE, in response to Co-Chair Gatto, said Diamond Parking is not on airport property.

CO-CHAIR GATTO said the airport makes a good argument of "no airport, no clients."

MR. COFFE said you could extend that to a lot of other businesses that depend on travelers coming to Alaska.

CO-CHAIR GATTO asked if the airport gets part of the bed tax.

[1:44:09 PM](#)

MR. COFFE said no; "we keep all the bed tax for the citizens of Anchorage." The problem is compounded by the fact that Diamond Parking provides very good service, and the airport should have a competitive advantage on the airport property. "Instead they've sought to impose this, we call it a tax, gross receipts tax on an off-airport enterprise, and, frankly, Diamond Parking is the only one that they've addressed this to." It is like getting the money from the private sector instead of making their airport parking a better service, he stated. He said Diamond Parking had offered to install an automatic counting mechanism, and it was turned down.

[1:45:52 PM](#)

CO-CHAIR GATTO noted that there is an airport facility being built for rental cars and asked Mr. Coffe if he foresees a better competitor.

MR. COFFE said he was previously involved with the on-airport parking garage, and the airport was very receptive to that. The car rental companies were willing to impose a fee on themselves to pay for it. The notion of the major car companies fleeing the airport if the off-airport companies are not taxed mystifies him. The small companies have a 1 percent market share. The statute shows that fees are meant to be commensurate with the amount of the airport that is used, he said.

[1:47:37 PM](#)

CO-CHAIR GATTO noted that the car companies took on that expense, but actually, when he rents a car it is listed as a separate expense. "They're not picking up any part of it." It went up to 10 percent in no time, he said.

MR. COFFE said that is true, and he said "we" were the impetus behind the project and willing to take the risks of what it might do to business. He listed the taxes that are added to the cost of renting a car and asked how many people would go elsewhere to rent a car.

[1:49:07 PM](#)

JOHN TORGERSON, Deputy Commissioner of Aviation, Department of Transportation & Public Facilities, said he hasn't had time to look at the amendment. The airport is reaching out and charging fees for an off-airport business, and this bill does not preclude it from doing that but only prohibits it from using the gross revenue as a way of collecting fees, he said. He added that it is not true that the bill is not telling the airport what to collect. He told the committee to read page 2, line 22, where it puts airport parking shuttles in with courtesy cars. "There is a regulation and fee structure already set for that, which is one of the lowest at the airport."

CO-CHAIR GATTO asked what the courtesy car fee is.

JOHN BARSALOU, Property Director, Anchorage International Airport, said it is \$250 or \$500 per vehicle per year.

CO-CHAIR GATTO asked about the size of the shuttle.

MR. BARSALOU said it depends on the class of business, and there are six different classes of ground transportation.

CO-CHAIR GATTO said he wants to confirm that it is \$500 for the first vehicle and \$50 for each vehicle thereafter, per year. He asked if that is for any size shuttle, from a car to a bus.

[1:53:20 PM](#)

CO-CHAIR GATTO noted that the total cost for the year for Diamond Parking is probably \$750 per year, and the airport plan would raise it to \$108,000, and that is why the bill is in front of the committee, as well as amendment 1.

Hearing no objections, Amendment 1 carried.

CO-CHAIR ELKINS moved to report SB 304, as amended, out of committee with individual recommendations and the accompanying fiscal notes. Hearing no objection, HCS SB 304(TRA) passed out of the House Transportation Standing Committee.

[1:55:13 PM](#)

HB 397-APPROP: ANCHORAGE SIGNAL UPGRADE

CO-CHAIR GATTO announced that the final order of business would be HOUSE BILL NO. 397, "An Act making an appropriation for an upgrade of signal system emergency devices in Anchorage, contingent upon matching funds from the Municipality of Anchorage; and providing for an effective date."

REPRESENTATIVE MAX GRUENBERG, Alaska State Legislature, presented HB 397 as sponsor. He showed an Anchorage map showing where "opticom" are needed and where ones are currently located. He said upgrades are in the process so that an emergency vehicle can press a button and the [traffic] light will turn green. The vehicle can then proceed safely, he said.

[1:57:32 PM](#)

JOHN KIEWIK, Municipality of Anchorage, said he doesn't have the map, but he would like [opticom] to be [at every intersection]. He added that some corridors have been installed.

[1:59:17 PM](#)

CO-CHAIR GATTO asked about a quantitative reduction in collisions from the installation of the devices.

CRAIG GOODRICH, Chief, Anchorage Fire Department, said for any fires in the Muldoon area, it is quite a run from the closest fire stations. With opticom, truck five can beat station three into the Chugach foothill, he stated, and that illustrates a dramatic decrease in response time. He said time is the most important factor for emergency vehicles. Without opticom, other vehicles do unsafe things, but with them, the light turns green, and cars proceed normally. The use of the devices factors heavily into the city's master plan. "If we do not have any definitive change in the way we're doing business, in 50 years the operating expense for the fire department is going to approach \$300-350 million."

[2:03:28 PM](#)

MR. GOODRICH said with sprinkler ordinances and opticom, the department can maximize the efficiency of station locations and reduce the number of stations and vehicles, saving the public a considerable amount of money.

CO-CHAIR GATTO asked if opticom would negate the next fire station.

MR. GOODRICH said absolutely. He said EMS may need a facility, but with opticoms, the next fire station may not be needed.

2:05:47 PM

CO-CHAIR GATTO said each one costs \$1,000, and asked if all are already installed on the vehicles.

MR. GOODRICH said all the vehicles have them.

CO-CHAIR GATTO said only the installation on the traffic lights is needed, and he asked who maintains them.

MR. GOODRICH said the ambulances have them but not the trucks. The municipality maintains them, he stated.

2:07:03 PM

CO-CHAIR ELKINS moved to report HB 397 out of committee with individual recommendations and the accompanying fiscal notes.

REPRESENTATIVE SALMON asked if it will complete all the signals.

MR. GOODRICH said it comes very close, and as other intersections are improved, the opticoms will be included.

CO-CHAIR GATTO asked what the price is for each traffic light and how many are needed.

MR. GOODRICH said it is \$15,000 per intersection, and the state and municipal specifications now require them, so it is built into all new and rehabilitated intersections.

2:09:16 PM

MR. GOODRICH said, in response to Co-Chair Gatto, that opticoms are used in Fairbanks, Kenai, and Juneau.

REPRESENTATIVE GRUENBERG said he had a recent ambulance trip, and he learned that opticoms are at all signals in Juneau.

Hearing no objections, HB 397 passed out of the House Transportation Standing Committee.

2:10:43 PM

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at [2:10:50 PM](#).