

Introduced: 3/26/73
Referred: State Affairs,
Judiciary and Finance

1 IN THE HOUSE

BY SPECKING

2 HOUSE CONCURRENT RESOLUTION NO. 78

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 Relating to the Alaska Marine Highway
6 System.

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

8 WHEREAS the Marine Highway System is considered a part of the total
9 highway/marine transportation network; and

10 WHEREAS the economic function of any mode of transportation is to move
11 people and goods with the least possible drain on scarce resources; and

12 WHEREAS, system-wide, the Marine Highway operating cost to revenue com-
13 parison is roughly 1.5 dollars in operating cost to each one dollar in
14 revenue earned, with recent trends indicating a rate of expenditure increase
15 greater than a rate of revenue increase; and

16 WHEREAS studies recently completed have proposed major additions to
17 the state ferry system fleet in anticipation of continuing increases in peak
18 demand, to be supported by substantial increases in tariffs; and

19 WHEREAS system-wide peak demand is historically confined to summer
20 months, making it impossible to provide service within the state on a year-
21 round basis maintaining a 1:1 operating cost to revenue ratio, or "break-even
22 point";

23 BE IT RESOLVED by the Legislature that the Governor is respectfully
24 requested to direct the Commissioner of Public Works to maintain system-wide
25 a minimum total cost to revenue ratio of not more than 2:1; in determining
26 total cost the Commissioner is directed to use vessel operating expenses and
27 expenses of all shore facilities, the total administrative overhead of the
28 division, debt service on all ferry general obligation bonds and depreciation
29 of facilities funded in the capital budgets; and be it

1 FURTHER RESOLVED that the Governor is respectfully requested to direct
2 the Commissioner of Public Works to maintain a cost to revenue ratio not
3 greater than 2:1 through any combination of the following: reductions in
4 fleet size, vessel layups, transfer of vessels to more heavily utilized
5 routes, increase in tariffs to include experimentation with substantially
6 increased peak period tariffs accompanied by sharp reductions in off-peak
7 tariffs, and other appropriate measures.

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