

HB

381

#

TELEGRAM

WCA ALASKA COMMUNICATIONS, INC.

PHONE: 586-6440

JUNEAU, ALASKA 99801

1975 MAY 3 PM 2 35

18002 POM GOLOVIN ALASKA 15 05-03 1120A BDT

PMS REP BOB BRADLEY

266

CHAIRMAN HOUSE COMMERCE COMMITTEE

JUNEAU

THE GOLOVIN CITY COUNCIL HAS EXPRESSED THEIR OPPOSITION TO
THE PASSAGE OF HOUSE BILL 381.

GOLOVIN CITY COUNCIL, SECRETARY STANLEY AMAROK

TELETYPE UNIT

TELETYPE COMMUNICATIONS, INC.
99801

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PMS BOB BRADEY CHAIRMAN COMMERCE COMMITTEE

2429

POUCH V

Fall

JUN

WEBBER AIRLINES INC STRONGLY OPPOSES HOUSE BILL 381.

JACK R SWAIM, PRESIDENT



BERING STRAITS NATIVE CORPORATION

P.O. BOX 1008 · NOME, ALASKA 99762 · (907) 443-5252

April 30, 1975

Representative Bob Bradley
Chairman
House Commerce Committee
Pouch V
Juneau, Alaska 99811

Representative Terry Gardiner
Chairman
House Judiciary Committee
Pouch V
Juneau, Alaska 99811

Dear Representatives Bradley & Gardiner:

Gentlemen, House Bill No. 381, "An Act relating to the activities of the Alaska ~~Transportation Commission~~; and providing for an effective date", has been brought to my attention.

In all honesty, the proposed restrictions that would be imposed on the Air Taxi Services would have a detrimental impact and adverse effect towards the people within the Bering Straits region. They rely on travel and freight service that is needed and essentially, in addition to the scheduled airline, that is presently operating out of Nome. From past experience, the scheduled airline has a heavy demand and schedule that they must meet to give the villages adequate service.

If House Bill No. 381 is passed, it will impose unnecessary hardship, inconvenience, and an additional expense to the populace; that is so dependent on the Air Taxi Service in addition to scheduled airline service, to and from the villages for travel and freight service.

The Air Taxi Services that serve the Bering Straits region have given commendable, dependable, reliable, and personal services to all concerned. Their availability to the BSNC staff and Board for travel has been a convenience and a money saver to us. If House Bill No. 381 is passed, it would create a monopoly controlled by one party. This would also have a detrimental impact and adverse effect toward the Air Taxi Services throughout Alaska. Competition is a must to counter-balance the quality of services rendered by the airlines.



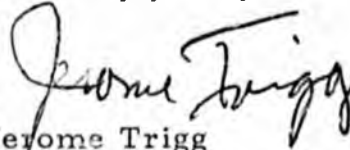
Representatives Bradley & Gardiner

Page two

April 30, 1975

The Bering Straits region would like for you, gentlemen, to have it go down on record that we strongly oppose House Bill No. 381 and urge that it is defeated when it is brought to the floor.

Sincerely yours,



Jerome Trigg
President

JT:lm

cc: State Senator Frank Ferguson
Representative Larry Davis
Air Taxi Operators, Bering Straits region
NANA Regional Corporation

29 April 1975

Bob Bradley
Chairman, House Commerce Committee
Alaska State House of Representatives

Dear Sir:

The City of Koyuk strongly urges defeat of House Bill #381. We feel that providing the scheduled air carrier with such an advantage would not only be unfair to small air carriers who serve our village, but would also result in poorer service and limited freedom of action. We feel that this bill in its essence is contrary to the principal of free enterprise. We feel that the 5 day a week schedule is in itself a dubious proposition as we have evidenced that the scheduled air carrier which serves our village quite often does not appear on scheduled days, while the smaller air carriers do come.

Sincerely,

David Otten Sr.
David Otten, Mayor
City of Koyuk

DO/tgd

cc: Senator Frank Ferguson
Representative Larry Davis

The undersigned council members and citizens of Koyuk, urge the defeat of House Bill #381.

Thomas M. Wong
Stanley J. Adams
Lila Ohtton
BO. DAY
Albert S. Chalk
Leslie S. Charles
Mandy J. Charles
Maryann Warden
Charles Charles
Dennis Adams
Don Day
Kenneth Dewey Sr.

Elsie Ohtton
Galel Ohtton
Ed. Kimoktoak
Annie Kimoktoak
Stella Edan
Ed B. Kimoktoak
Richard A. Nasuk
Roger Nasuk
Lolita Nasuk
Gene Kavairook
Albert Kimoktoak

Alfred Adams
Ethel Adams
Grace Kavairook
Henry Kavairook
Lorena Nasuk
Don Nasuk Sr.
Karen Nasuk
Charlie Atmik
Lucky Charles
Donald C. Gillespie
Lynn A. Gillespie

John N. Patterson
Box 7
Craig, Alaska 99921
May 2, 1975

Honorable Robert Bradley, Chairman
Commerce Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99801

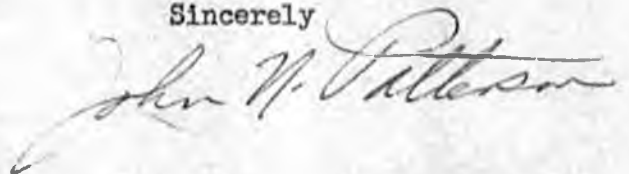
Dear Mr. Bradley;

I strongly urge you to not support H. B. 381. If this bill becomes law it will set communities like Craig back several years.

Letting only scheduled carriers offer seat fare basis flights strangles competing non scheduled carriers. It also reduces service to the people of the many small communities in Alaska. Why change a good thing for something less. The way it is now a person can fly to town almost anytime he chooses and go in by fare basis. Isn't this what we have been striving for all these years, better transportation for Alaskans.

I am sending copies of this letter to Representatives Oral Freeman, Terry Gardiner and Governor Hammond hoping they see that supporting H.B. 381 will be a giant step backwards for flying Alaskans.

Sincerely



c.c.

Representatives
Terry Gardiner
Oral Freeman
Governor Jay Hammond

May 1, 1975

Mr. Robert Bradley
Chairman Commerce Committee
Pouch V
Juneau, Alaska 99801

Dear Congressman Bradley:

We Don't need anymore Government interference with
free enterprise. DO NOT pass house bill 381, that proposes
to eliminate seat fare rates for Air Taxis to points being
served by scheduled carriers.

Sincerely,

Nelda C. Lynch
Teacher

May 1, 1975

Mr. Robert Bradley
Chairman Commerce Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Bradley:

I am opposed to House Bill 381 that proposes to eliminate Air Taxis being allowed to charge seat fares to points served by scheduled carriers.

Such action would severely limit competition and be a great inconvenience to The Traveling Public, who are frequently better served by the Air Taxis than by the scheduled carriers.

Sincerely,

Sam Nicholson Jr

Box 73

Klawock Alaska

May 1, 1975

Mr. Robert Bradley
Chairman Commerce Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Bradley:

HB 381 is obviously being pushed by a FEW scheduled air carriers for their own economic benefit.

The detrimental effect on The Traveling Public should be considered. Travelers like to know what a trip is going to cost precisely. Seat fares give them this cost spelled out in easy to understand terms. Don't eliminate seat fares for Air Taxis to points served by scheduled Air Carriers. Many of the problems brought on by scheduled carriers are a result of poor service not lack of potential customers.

Sincerely,

D. Morrow Lynch
Supt.
Klawock Public Schools
Klawock, Alaska - 99925

29 April 1975

Mr. Robert Bradley, Chm.
Commerce Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Bradley:

As a minister serving rural communities in Southeast Alaska, I am opposed to House Bill 381 which would severely restrict air taxis' use of seat fares on scheduled routes. I normally find it more convenient to travel with the air taxis than with scheduled carriers, because I get better service.

Very truly yours,

Claron A. Carland Pastor
Craig - Hydaburg Parish (Presbyterian)
Box 29
Hydaburg, AK 99922

Mr. Robert Bradley
Chairman Commerce Committee
Ditch ✓
Juneau Alaska 99801

HB 381 is obviously being
pushed by a few scheduled
air carriers for their own
economic benefit

The detrimental effect on
the traveling public should
be considered. Travelers like
to know what a trip is going
to cost precisely. Seat fares
give them this cost spelled
out in easy to understand
terms. Don't eliminate seat
fares for air taxis, to pilots
served by scheduled air carriers.
Many of the problems brought on
by scheduled carriers are a
result of poor service, not
lack of potential customers.
Polly Breed.

May 1, 1975

Mr. Robert Bradley
Chairman Commerce Committee
Pouch V
Juneau, Alaska 99801

Dear Congressman Bradley:

We Don't need any ~~more~~ Government interference with
free enterprise. DO NOT pass house bill 381, that proposes
to eliminate seat fare rates for Air Taxis to points being
served by scheduled carriers.

Sincerely,

Francis Jackson

REVILLA FLYING SERVICE
P. O. Box 2516
KETCHIKAN, ALASKA 99901

Box 54
Klawock, Ak
April 30, 1975 99025

Mr. Robert Bradley
Chairman Commerce Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Bradley:

HB 381 is obviously being pushed by a FEW scheduled Air Carriers for their own economic benefit.

The detrimental effect on The Traveling Public should be considered. Travelers like to know what a trip is going to cost precisley, seat fares give them this cost spelled out in easy to understand terms. Don't eliminate seat fares for Air Taxis, to points served by scheduled Air Carriers. Many of the problems brought on by scheduled carriers are a result of poor service- not lack of potential customers.

Sincerely

Martin J. Fabry
Verne L. Fabry

May 1, 1975

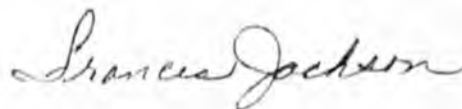
Mr. Robert Bradley
Chairman Commerce Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Bradley:

I am opposed to House Bill 381 that proposes to eliminate Air Taxis being allowed to charge seat fares to points served by scheduled carriers.

Such action would severely limit competition and be a great inconvenience to The Traveling Public, who are frequently better served by the Air Taxis than by the scheduled carriers.

Sincerely,



REVILLA FLYING SERVICE
P. O. Box 2515
KETCHIKAN, ALASKA 99901

May 1, 1975

Mr. Robert Bradley
Chairman Commerce Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Bradley:

HB 381 is obviously being pushed by a FEW scheduled air Carriers for their own economic benefit.

The detrimental effect on The Traveling Public should be considered. Travelers like to know what a trip is going to cost precisely. Seat fares give them this cost spelled out in easy to understand terms. Don't eliminate seat fares for Air Taxis to points served by scheduled Air Carriers. Many of the problems brought on by scheduled carriers are a result of poor service not lack of potential customers.

Sincerely,

Francis Jackson

REVILLA FLYING SERVICE
P. O. Box 2516
KETCHIKAN, ALASKA 99901

Paul H. Breed
d/b/a FLAIR AIR
Box 63
Klawock, Alaska 99925
April 24, 1975

Representative Robert Bradley
Chairman Commerce Committee
Pouch V
Juneau, Alaska

Dear Mr. Bradley:

House Bill 381 is obviously being pushed by The scheduled Air Carriers, to give them a competitive advantage over unscheduled Air Taxi's.

They already have the Tariff protection that no Air Taxi can charge less, to the points they serve, than the scheduled carrier.

They now want to eliminate unscheduled Air Taxis being Allowed to use seat fares to or from the points they serve. This effectively would give them almost a monopoly, in well traveled areas, because the public wants the convenience of seat fares and to know exactly what its going to cost to go from A to B. A seat fare tells them this. On a Charter basis they don't know since the flight time varies with the weather and the cost per person varies with the number of passengers on the aircraft.

Don't try to bolster a few scheduled Air Carriers on routes where no schedule may even be necessary at the expense of healthy Air TAXI businesses, that the public is supporting.

I've shown The Provisions of 381 to several of my passengers and they were all horrified that The State was even considering meddling in such an area and virtually eliminating their right to choose who they can fly with, through economic manipulation.

The CAB eliminated The Publics choice of what airline they flew with when they gave it to Alaska. Don't let The State be guilty of eliminating the publics choice of what Air Taxi they fly with.

Sincerely;


Paul H. Breed dba FLAIR AIR

cc: Governor Hammond
cc: Terry Gardner
cc: Oral Freeman

PB/bb

April 29, 1975

Dear Chairman Bradley,

This letter is to acquaint you with my thoughts on HB 381. The bill to eliminate air taxi seat fare on scheduled route.

Don't even let it get out of committee. I don't know whose back of such a bill, but I would be very suspicious.

How would you like to fly with a scheduled carrier that can't keep its pilots and is getting green hands regularly. One of the veteran pilots is nicknamed "Crash Bob" because he has had so many close calls.

This same scheduled carrier does not follow the schedule unless he has 3 passengers. That's not scheduled. Also the carrier is not known for its good maintenance.

Today I checked my flight plans to Sitka. The scheduled carrier had me leaving at 8:45am to ~~catch~~ catch the 5:05_{pm} jet to Sitka.

I'm going with another one at 3pm. Our scheduled carrier is not satisfactory with all the competition its got. What would it be like with no competition. I shudder to think.

Mary Schultz
Klawock Alaska

TO Rep. Bob Bradley
Alaska Legislature
Juneau, Alaska 99801

FROM Phone: 789 9160, Juneau
LAB FLYING SERVICE INC.
BOX 272
HAINES, ALASKA 99827

SUBJECT: House Bill No. 381 DATE: April 17, 1975

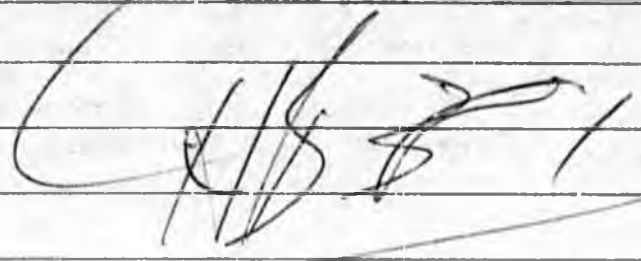
FOLD ↑ Dear Bob:

We are very much opposed to this bill. It would greatly reduce the service to small communities. It would also be detrimental to our business as the customer always wants to know the exact amount his trip will cost him. If this bill passes, we would have to tell him that the price from Haines to Juneau could be anything from \$16.66 to \$75.

We have several witnesses from Haines and Juneau who are anxious to testify on this bill, so we would appreciate your letting us know of any hearings.

We can be reached at the phone number above.

PLEASE REPLY TO → SIGNED Thank you Lou Bennett Lou Bennett



DATE _____ SIGNED _____

CRAIG CITY SCHOOL DISTRICT

STANLEY L. BIPPUS, Superintendent

P O, Box 166
CRAIG, ALASKA 99921

May 6, 1975

Mr. Robert Bradley
Chairman - Commerce Committee
Pouch V
Juneau, Alaska 99801

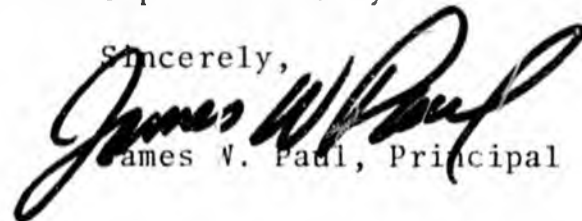
Dear Mr. Bradley:

I would like to comment on a proposal that I have heard is being considered - i.e.- the elimination of seat fares for air taxis not licensed as the scheduled air carrier.

I look upon this move as a way to cut competition and make it easier for the scheduled air carriers to make ends meet, which I agree, is important in order to continue providing scheduled air service. However, the scheduled carriers in my opinion, need not suffer from their competition if the quality of service to the public remains the same. What we have seen here is an air taxi providing friendly, amenable service and the scheduled air carrier decreasing their service (in terms of smiles, friendly assistance, etc.) apparently with the feeling that their being scheduled would guarantee them customers.

The air taxis already cannot charge less than the scheduled carrier, this in itself seems to be plenty. I would certainly be opposed to a further reduction in competition, because instead of increasing services for the people, decreasing competition decreases services in a capitalistic system.

Sincerely,


James W. Paul, Principal

Skyways flies on schedule again

Southeast Skyways has resumed its regular schedule of two flights a day, and the office at the airport is open regularly again, Marsha James, agent for the airline, reported today.

However, she said, routing for flights may vary: depending upon the traffic, flights may go Juneau-Haines-Skagway-Juneau, or Juneau-Skagway-Haines-Juneau, or Juneau-Haines-Skagway-Haines-Juneau.

The council went on record as opposing House Bill 381 which would prohibit air taxi services to charge seat fares on runs which are served by a scheduled carrier at least five days a week. The route between Haines and Juneau is such a one.

HOUSE BILL WOULD STOP AIR TAXI SEAT FARES

House Bill 381, introduced into the Alaska House of Representatives, would not permit air taxi operators to charge seat fares on runs between points served at least five days a week by a scheduled carrier.

The legislation would affect air taxi operators who fly Haines to Juneau. Both LAB Flying Service and Fox Air Service/Capital Air presently charge seat fares.

Mrs. H. A. Kebert
P.O. Box 89
Haines
Alaska 99827

28 April 1975

Mr. Robert Bradley
Chairman of Commerce Committee
Alaska Legislature
Juneau, Alaska 99801

Dear Sir:

And just who was the un-named (brave soul ?) that introduced House Bill #381 into the Alaska House of Representatives?

House Bill #381 reads as follows from Chilkat Valley News, 4/24/75:
~~Quote~~ "House Bill #381, introduced into the Alaska House of Representatives, would not permit air taxi operators to charge seat fares on runs between points served at least 5 days a week by a scheduled carrier." Unquote. HOW ABOUT THAT?

Is it not customary for the Representatives name to appear with his Bill in print for public knowledge?

Perhaps in this instance - it is the fault of our newspaper, but I sincerely doubt that.

What has or is happening to our free enterprise system?

When will some Representative get a wild notion to take away our ferry system to force us to take the "scheduled carrier"?

Our present "scheduled carrier", when "they" took over about a year ago, stated "they" would have i.e. :-

5 flights daily - Juneau, Haines, Skagway, Juneau - Juneau, Skagway, Haines, Juneau, etc. to enable passengers departing from Juneau to connect with other airlines.

Then - in a very short time of 5 flights daily "they" cut to 3 flights daily

Then - 2 flights daily

Then - 1 flight daily and when "they" did that - we at this part of Southeast Alaska were forced to phone Juneau to make reservations for "their" 1 daily flight per day (if they were able to fly at all on their 1:45 PM flight) and for connections with other airlines as "they" closed their office at 4 Mile. "They" were closed only for a few days but it was very inconvenient

and annoying.

I am not aware as to how Skagway or other communities, up and down the line have to manage but I am sure they feel the same as we do.

Do you know that a person can travel to lower California from Haines in 1 day by connecting with the early morning flight out of Juneau - via private carrier these days?

One is unable to do that with 1 or 2 flights daily with our "scheduled carrier" which just commenced 2 flights daily recently, again.

You are forced to overnight either in Juneau for the early morning flight or overnite in Seattle on the afternoon flight from Juneau to go south with our present "scheduled carrier" and "their" present 2 flights daily.

What does one do in case of "EMERGENCY" whereas it may be a matter of LIFE or DEATH?

I, for one, hope that I shall not be forced to travel with our present "scheduled carrier" in time to come.

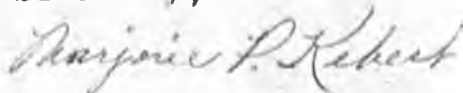
I'll take the ferry first (if we still have a ferry system) if I can no longer charter a private carrier of our choice.

It would be cheaper by ferry and since you would have to overnight in one place or the other - what would be the percentage of buying a 30 minute ride via "scheduled carrier" to Juneau?

P. S.

Neither myself or my husband are affiliated, in anyway, with any private carrier.

Sincerely,



Mrs. Marjorie P. Kebert



BOX 1028 • NOME, ALASKA 99782 • PHONE: 907-443-8292



Bob Bradley
Chairman, House Commerce Committee
Alaska State House of Representatives

Dear Sir,

This company strongly urges defeat of House Bill #381. It is a blatant attempt by the scheduled air carriers to completely monopolize the air traffic market to their advantage at public expense.

Foster Aviation revenue from individual fares in CY74 was \$73,564, i.e., approximately 1500 to 2000 passengers were carried in the Nome village area by individual tariff rate. A majority of these passengers were accommodated on aircraft chartered by other agencies that had seats available. Thus, if House bill #381 becomes law, then the scheduled air carrier serving Nome area villages need only schedule each village five times a week to completely monopolize village traffic, since it would be illegal for us to provide passenger and cargo rates. We would be limited exclusively to charter service. Not only would it be detrimental to our company, but the villages and Nome would suffer, e.g., if a passenger misses a scheduled flight to a village for any reason (i.e., aircraft full already or his schedule doesn't coincide with the scheduled flight, etc.), he would have to wait for the next scheduled flight or else charter an aircraft, even if we already have an aircraft on charter with seats available going to his village. Also, our aircraft frequently pick up individual fares from the villages while on charter. The law would make this service illegal. The law if enacted would force the individual passenger to fly only the scheduled air carrier and, if the passenger for some reason is unable to make that flight, forces him to wait for the next schedule or else charter an aircraft even if this company already has seats available on another aircraft on charter. Thus, the law forces a passenger to fly with a particular air carrier, leaving him no freedom of choice, with the distinct possibility of obtaining either poor service at fare rates with the schedule or fast service at charter rates--- even if the cost is unnecessary. Also, if the bill is enacted and a five day per week schedule is made by a carrier, the question arises: How is the public to be served by fare rates when a particular village(s) is not on a schedule for the other two days of the week? Individuals would be forced to charter.

At present, an individual in the Nome area has the freedom of choice of travelling by fare with the Munz schedule or via Foster Aviation, Nome Flying Service, Northern Aviation, or Teller Air Service, Olson & Sons, or Unalakleet Air Taxi if in the area.



His chances of obtaining fare rates when he's ready to travel are obviously much greater with seven air carriers than if he is forced to travel fare rate if Munz is the only carrier.


Excluding Kotzebue, there are seven air carriers serving the Seward Peninsula. House Bill #381 would effectively limit all passengers travelling at tariff rates to Munz Airlines. In this respect, one of the prime concerns of the Alaska State Legislature should be to grant air carrier authority in order to serve and not to restrict public necessity and convenience. In this regard, the small air carrier would suffer in this attempt at public expense by the scheduled air carriers to obtain more business for themselves through legislation and not through the concept of free enterprise and competition.

In summary, the bill if enacted would serve to only one advantage---that of the scheduled carrier. This would be detrimental to the air taxi operator and more importantly to the public, which would be faced with:

1. LIMITED FREEDOM OF CHOICE with whom to fly at fare rates.
2. (a) LIMITED FREEDOM OF ACTION OUT OF NOME since to fly at fare rates one must wait for a schedule even if knowing that another aircraft would be available more convenient to one's own schedule.
(b) LIMITED FREEDOM OF ACTION OUT OF THE VILLAGES since to fly at fare rates one must wait for a schedule not knowing if there would be room for you once the aircraft stopped at your village, due to the unpredictable rate of village passenger traffic, even if knowing that another aircraft not on schedule was available and could accomodate you.
3. POOR SERVICE, IF DESIRING FARE RATES, since one would have to gear his own schedule to that of the scheduled carrier, even if other aircraft were available convenient to you.
4. HIGHER RATES, since if one could not make the scheduled flight, he would be forced to charter an aircraft, even if other aircraft on charter with available seats were already going to your desired destination.

We cannot perceive how legislation, with such illogical and unreasonable make-up, advantageous only to large air carriers and detrimental as it would be to hush areas, could even be proposed. This company vehemently opposes House Bill #381 and strongly urges that it be defeated.

Respectively,



NEAL R. FOSTER
MANAGER, FOSTER AVIATION
28 APR 75

cc: All members, House of Representatives
SENATORS BRADLEY, FERGUSON, SACKETT, RODEY
AIR TAXI OPERATORS, NW ALASKA

HAINES CHAMBER OF COMMERCE

Haines, Alaska 99827

NORTHERN GATEWAY TO THE ALASKA MARINE HIGHWAY
HOME OF THE FAMOUS CHILKAT DANCERS

April 18, 1975

Bob Bradley, Chairman
House Commerce Committee
Alaska State Legislature
Juneau, Alaska 99801

Dear Bob:

The Haines Chamber of Commerce would like to go on record as opposing HB #381 as being highly descrimatory to the small air taxi operator, and a definite cut-back of service to the traveling public.

It is felt that such a law would put the small operator out of business and will also prove to be a real disservice to the citizens of smaller communities. Lord knows it is hard enough to get around in this country without making it more difficult. Most of us cannot afford to charter a plane and simply would not make the trip if we had to pay an exhorbitant price to get there. Timing is important, too--making connections with jet schedules and being able to do business in Juneau without the cost of an overnight stay

We would appreciate your help in seeing that this bill ~~does not pass--hopefully does not even get out of committee.~~
You have many friends in Haines, don't let them down.

Sincerely

HAINES CHAMBER OF COMMERCE

Mimi
Mimi G. Gregg
Secretary

At the present time it appears that no
action will be taken on the bill.
Thank you again for writing

Sin

Bob

Dear Mimi,

Just a short note to let you know
that I received your letter regarding
HB# 381. ~~The bill is in my committee~~
~~at this time and I do not plan to take~~
~~any action on it ~~this year~~~~
~~bringing it before the committee at~~
~~anytime~~

The bill is in my committee and
I do not have any plans to bring it
up before the committee.

~~Thanks for the letter a~~

~~Let me know if there's anything~~

I'm always glad to help my friends
in Haines.

Sin
Bob

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

POUCH K - STATE CAPITOL
JUNEAU 99801

April 9, 1975

Representative Bob Bradley
Chairman
House Commerce Committee
Alaska State Legislature
Pouch V
State Capitol
Juneau, Alaska 99811

Re: HB 381 - An Act relating
to the Alaska Transportation
Commission

Dear Mr. Bradley:

The Alaska Transportation Commission has asked that I bring certain information to the attention of your committee to explain the purpose of HB 381.

In 1972 the Legislature amended the Air Commerce Act, and the amendment had the effect of substantially liberalizing the operations authorized for air tax operators. In their administration of the act since its amendment, the commission has found that there is considerable reluctance on the part of many carriers holding unrestricted authority to limit their operations voluntarily in order to conform to the commission's interpretation of the type of service authorized for each carrier.

The commission has sought during the past several years to strengthen the concept of state certificated scheduled air carrier service. It is their opinion that this concept can have the effect of providing more dependable service to rural communities at a reduced cost. In order to be viable, however, the commission must have authority to protect the scheduled carriers' routes. Adequate authority does not now exist in the present statutes.

The need for strengthening intra-state scheduled carrier service is particularly important at this time when the service is particularly important at this time when the Civil Aeronautics

April 9, 1975

- 2 -

Board (CAB) is increasing their pressure on federally certified carriers to reduce their requirement for federal subsidy by withdrawing from marginally profitable routes. During the past two years there has been a substantial decrease in the number of points served directly by both Alaska and Wien Airlines. The commission is also being required to assume a greater responsibility for regulating intra-state air commerce. This bill would have the effect of strengthening the commission's authority to protect intra-state scheduled carriers and provide viable service on a regular basis for small rural communities.

The principal problem which has arisen particularly since the beginning of pipeline construction, is that carriers, both scheduled and air taxis, have been providing service between points on routes certificated to other carriers. This has had the effect of reducing the load factors of the certificated scheduled carriers and promoting a reluctance on the part of air taxi operators to compete for longer term charter business because they do not wish to publish reduced or special term rates applicable to a particular contract.

The competition with the scheduled carriers has been intense and has forced some operators to request suspension of marginal traffic routes. This has had the effect of depriving communities of scheduled service and making them dependent upon air taxi carriers, frequently involving substantially increased expense and greater inconvenience.

The proposed bill, which would prohibit air taxi operators from charging individual fares between scheduled points, does not restrict them from offering charter service between these points if it is otherwise authorized by their certificate.

Sincerely yours,

AVRUM M. GROSS
ATTORNEY GENERAL

By: *G. O. Williams*
Gerald O. Williams
Assistant Attorney General