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AMENDMENT TO SB-98am

BY ROGERS

IN THE TRANSPORTATION COMMITTEE

page 1 line 22 before "Vessels" insert "Marine"

page 2 line 23 add new sentence to read:

"River-going vessels must be given the name  
of an historic river-going vessel."

Opt. 1

WHEREAS, since 1974, in response to House Concurrent Resolution No. 52, the state marine highway system has provided for travel on ferries by persons 65 years of age and older on a space-available basis within Alaska without charge during the months of November to April, inclusive: and,

WHEREAS, last year, in response to Legislative Resolve No. 2, 1980, the period of free passage for older Alaskans aboard state marine highway vessels was extended to October 1 to May 15, inclusive; and

*ND SF M AM -8*  
*Sep. Jun*

WHEREAS, this service has been used by increasing numbers of older Alaskans, permitting travel on the marine highway system at no cost while increasing the number of foot passengers on vessels of the system, and

WHEREAS, the policy of free passage for older Alaskans allows only passage during the "off-season" months and is not extended to other services for senior citizens traveling aboard vessels, and older persons pay full cost of lodging; and

WHEREAS, many senior citizens find it difficult to use vessels of the marine highway system because of the unavailability and high cost of lodging;

BE IT RESOLVED, that the Alaska State Legislature respectfully requests the Governor to direct the division of marine highways to extend free passage for senior citizens to permit older persons to travel between Alaskan ports during any month of the year, and to further investigate the possibilities of making lodging available to elderly at a reduced rate.

*12 mo*  
*Free passage*

Opt. 2

WHEREAS, since 1974, in response to House Concurrent Resolution No. 52, the state marine highway system has provided for travel on ferries by persons 65 years of age and older on a space-available basis within Alaska without charge during the months of November to April, inclusive: and,

WHEREAS, last year, in response to Legislative Resolve No. 2, 1980, the period of free passage for older Alaskans aboard state marine highway vessels was extended to October 1 to May 15, inclusive; and

WHEREAS, this service has been used by increasing numbers of older Alaskans, permitting travel on the marine highway system at no cost while increasing the number of foot passengers on vessels of the system, and

WHEREAS, the policy of free passage for older Alaskans allows only passage during the "off-season" months of October 1 through May 15 and is not extended to other services for senior citizens traveling aboard vessels, and older persons pay the full cost of lodging; and

WHEREAS, it appears that the division could accommodate extension of the free period for older Alaskans by two months,

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to direct the division of marine highways to expand the period during which older Alaskans may travel on vessels of the marine highway system without charge from Septmeber 1 to June 30 annually, and to further investigate the possibilities of making lodging available to elderly at a reduced rate.

2 Additional  
A me

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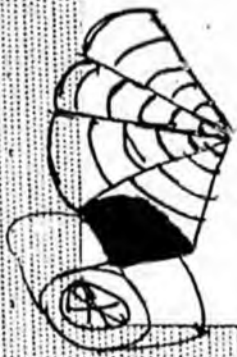
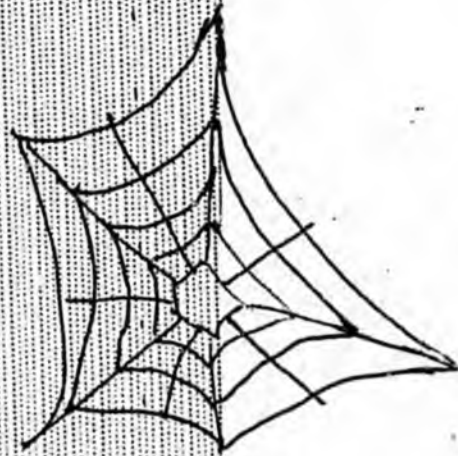
ALASKA

STATE LEGISLATURE

MEMORANDUM

Concurrent Resolution

House ~~Bill~~ 1 as originally presented is fraught with problems that could present the ferry personnel with nightmares. After reading the bill and thinking about it, I am proposing an alternative. Option #1 extends the elderly free travel to year-round and asks the division to investigate the possibilities of reduced lodging rates. Option #2 extends the "off-season" by two months to include some of the summer when its pleasant to travel in Southeast.



Alaska parts only

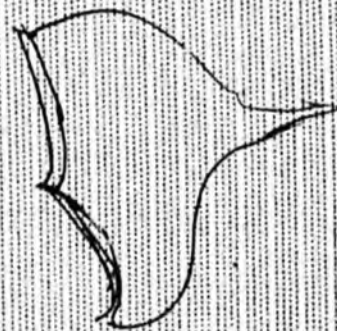
-or-  
All parts

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hand  
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MEMO  
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Space  
available



I. REQUEST  
 Bill/Resolution No. HCR 1 Relating to reduced rate travel for older  
 Title Alaskans aboard vessels of the state marine highway systems.  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL Public  
 Agency Affected Dept. of Transportation & Facilities, Division of Marine Highway Systems  
 Program Category Affected Transportation  
 BRU, Program, or Subprogram(s) Affected S.E. Vessels and S.W. Vessels  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

House Concurrent Resolution No. 52 (1974) refers to all citizens sixty-five years of age (65) and older traveling between Alaskan ports during the winter (off-season) months and provides free foot-passenger fares only.

- I. Assuming that House Concurrent Resolution No. 1 (1981) is to augment House Concurrent Resolution No. 52 (1974), the effect on passenger fares would only be reduced for the months from May 15 through September 30. All other sources of revenues would be affected throughout the year.

(continued)

IV. DATE February 19, 1981 PREPARED BY *James R. Eide*  
 AGENCY Division of Marine Highway Systems  
 PHONE 465-3951

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

ALL SENIOR CITIZENS - ALASKA PORTS ONLY

	<u>PASSAGE</u>	<u>VEHICLES</u>	<u>FOOD</u>	<u>STATEROOMS</u>
May 15 through September 30:	\$184.4	\$ 91.4	\$35.0	\$29.9
October through May 15:	-0-	\$ 62.1	\$14.9	\$15.4
TOTAL	\$184.4	\$153.5	\$49.9	\$45.3

For a twelve month reduction in revenue of: \$433.1

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II. If this were expanded to the use of the Southern Terminus (either Seattle or Prince Rupert), we could expect an increase in usage of the senior citizen pass procedure to reduce revenues as follows:

ALL SENIOR CITIZENS - ALL PORTS

	<u>PASSAGE</u>	<u>VEHICLES</u>	<u>FOOD</u>	<u>STATEROOMS</u>
May 15 through September:	\$368.7	\$182.8	\$70.0	\$59.7
October through May 15:	\$ 38.2	\$124.1	\$29.9	\$30.7
TOTAL	\$406.9	\$306.9	\$99.9	\$90.4

For a total of: \$904.1

If expanded to include the Southern Terminus for all senior citizens with no space available limitations, the nationally well-organized senior citizen groups would tend to fill the vessels to the detriment of full-fare paying travelers. Because this plan would increase the average age of the traveling public, it would result in the expansion of service to meet the needs of the older passenger. It is anticipated this could be accomplished by the addition of two Steward personnel on each of the larger vessels, and one each on smaller vessels.

Yearly costs as follows:

M/V's COLUMBIA, MALASPINA, MATANUSKA	2 each	6 X \$31,013 = \$186,078
M/V's TAKU, LeCONTE, AURORA	1 each	3 X \$31,013 = \$ 93,038
M/V's TUSTUMENA and BARTLETT	1 each	2 X \$33,575 = \$ 67,150
	TOTAL	\$346,266

This could be expected to increase ten percent (10%) per year.

III. If the expansion of the senior citizen pass is intended to apply only to older Alaskans, we could expect a revenue reduction of:

ALASKAN PORTS ONLY - ALASKANS ONLY

	<u>PASSAGE</u>	<u>VEHICLES</u>	<u>FOOD</u>	<u>STATEROOMS</u>
May 15 through September:	\$110.6	\$54.8	\$21.0	\$17.9
Plus months of October through May:	-0-	\$37.2	\$ 9.0	\$ 9.2
TOTAL	\$110.6	\$92.0	\$30.0	\$27.1

For a total revenue reduction of: \$259.7

(Continued)

17. If this policy were extended to include only the Southern Terminus (Seattle and/or Prince Rupert), the following would apply:

	<u>PASSAGE</u>	<u>VEHICLES</u>	<u>FOOD</u>	<u>STATEROOMS</u>
May 15 through September:	\$147.5	\$ 73.1	\$28.0	\$23.9
October through May 15:	\$ 30.6	\$ 49.6	\$11.9	\$12.3
TOTAL	\$178.1	\$122.7	\$39.9	\$36.2

For a total in reduced revenue of: \$376.9

The development of House Concurrent Resolution No. 1 (1981) would not create a large percentage decrease in projected revenues, between 1.1% to 3.8%. However, the Division of Marine Highway Systems has in the past tried to maintain a 2:1 ratio of expenditures:revenue, which would be affected by a reduction in revenue.

- V. Assuming this service is intended to be offered on a space available basis, consideration must then be given to the complications which might arise if an elderly person were "bumped" and temporarily stranded in a port other than their destination, in order to accommodate full revenue passengers.
- VI. Operational problems will be encountered in the management of this new rate structure especially as it applies to food service.