

Introduced: 1/17/83
Referred: Transportation and Finance

1 IN THE HOUSE BY GRUSSENDORF AND FRITZ
2 HOUSE CONCURRENT RESOLUTION NO. 2
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - FIRST SESSION
5 Relating to travel by senior citizens
6 aboard vessels of the state marine
7 highway system.
8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 WHEREAS, since 1974, in response to House Concurrent Resolution
10 No. 52, the state marine highway system has provided for travel on ferries
11 by persons 65 years of age and older on a space-available basis within
12 Alaska without charge during the months of November to April, inclusive;
13 and
14 WHEREAS, during 1980, in response to Legislative Resolve No. 2, 1980,
15 the period of free passage for older Alaskans aboard state marine highway
16 vessels was extended to October 1 to May 15 inclusive; and
17 WHEREAS this service has been used by increasing numbers of older
18 Alaskans, permitting travel on the marine highway system at no cost while
19 increasing the number of foot passengers on vessels of the system; and
20 WHEREAS the policy of free passage for older persons allows only
21 passage without cost during the "off-season", is not extended to other
22 services for senior citizens traveling aboard vessels, and in fact requires
23 older persons to pay full costs of lodging; and
24 WHEREAS many senior citizens find it difficult to use vessels of the
25 marine highway system because of the unavailability and high cost of lodg-
26 ing;
27 BE IT RESOLVED that the Alaska State Legislature respectfully requests
28 the Governor to direct the commissioner of transportation and public facil-
29 ities to direct the division of marine highways to extend free passage on

1 the Aurora, Le Conte, Chilkat, Tustumena, and Bartlett, to senior citizens
2 during every month of the year to permit them to travel between Alaskan
3 ports on a space-available basis; and be it

4 FURTHER RESOLVED that the Governor direct the division of marine high-
5 ways to investigate the possibility of making staterooms aboard state
6 ferries available at a reduced rate to senior citizens when traveling
7 between Alaskan ports.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE .

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCR 2 - Re travel by senior citizens aboard vessels
 Title of the state marine highway system.
 Requested by Grussendorf & Fritz Date 1/17/83

II. FISCAL DETAIL

Agency Affected DOT/PF
 Program Category Affected Transportation
 BRU, Program, Or Subprogram(s) Affected Marine Highway Systems
 (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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0			

FUNDING (Thousands of Dollars)

GENERAL FUND		0	0			
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 1/26/83 PREPARED BY Marty Nusbaum, Acting Director
 AGENCY Marine Highway Systems
 Original: Legislative Finance PHONE 465-3950
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/82)

III. ANALYSIS

House Concurrent Resolution No. 2, references space available free passage for all senior citizens on an annual basis. It further specifies only the smaller "feeder class" vessels of the system. The exception would be the M/V TUSTUMENA but still one of the smaller vessels.

The Department of Transportation and Public Facilities is in the process of completing a "User Survey" of travelers on vessels of the system. The survey reveals that during the winter, (Sept. 15 through May 14) the majority (about 70%) of the passengers on the Marine Highway are Alaskans, of this group approximately 10% are traveling under the Senior Citizen Free Passage program. Therefore, the majority of beneficiaries of Senior Citizen Free Passage are Alaskans.

In the summer (May 16 through Sept. 30) the majority of the systems users (approximately 80%) as reflected in the survey, are from out of state. It would appear then that the beneficiaries of Senior Citizens Free Passage during this time would be from out of state and the state would be subsidizing this travel. Senior Citizens' groups are well organized on both local levels and nationally. We believe these groups would tend to fill the system vessels to the detriment of full fare paying passengers and would require an expansion of service to meet the needs of the older passengers.

Capacity loads are already experienced on the M/V BARTLETT during the summer on her Valdez to Whittier route. Increasing the number of travelers competing for this space, through free passage incentives, might well be counter productive. This also applies to the M/V CHILKAT and M/V TUSTUMENA on certain portions of their routes.

The "User Survey" information reflects that approximately 10% of the passengers on the Marine Highway would be eligible for Senior Citizen routes. Reducing passenger revenue by 10% for the summer months on the specified vessels would approximate the following estimates of reduced revenue.

Vessel	1982 Passenger Revenue 15 May - Oct. 1	10% of 1982. Passenger Revenue for Period
M/V AURORA	275,000	27,500
M/V LeCONTE	271,000	27,100
M/V CHILKAT	42,000	4,200
M/V BARTLETT	710,000	71,000
M/V TUSTUMENA	468,000	46,800

Free Senior Citizen passage for a full twelve months could approximate a loss of revenue of \$175,000 each year.

Assuming a 50% discount was passed on the Senior Citizens for staterooms, for a full twelve months per year, the loss of additional revenue would approximate an additional \$100,000.00. This estimate is founded using the same approach as the estimate on revenue loss on passage.

We believe there would be insurmountable administrative problems by the establishment of discounted stateroom tariffs for senior citizens. The main problem would be the establishment of priorities. Would these reduced fare senior citizens be allowed to make reservations for staterooms or would the staterooms be on a "space available basis?"

We believe that senior citizens from out of state would again be the beneficiaries of such a program.

The following individuals are expected to testify on HCR 2:

Rep. Ben Grussendorf, Prime Sponsor

Marty Nusbaum, Division of Marine Highway Systems, DOTPF

Jon Wolfe, Executive Director, Older Alaskans Commission,
Department of Administration

Dove Kull

CP

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

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We believe that senior citizens from out of state would again be the beneficiaries of such a program.

Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

HOUSE TRANSPORTATION
STANDING COMMITTEE
February 7, 1983
8:30 a.m.

Members Present: Rep. Bette Cato, Chairman
Rep. Miller, Vice-Chairman
Rep. Abood
Rep. Davis
Rep. Herrmann
Rep. Lacher
Rep. McBride
Rep. Phillips
Rep. Szymanski

Members Absent: None

COMMITTEE CALENDAR

HCR 2: Relating to travel by senior citizens aboard
vessels of the state marine highway system.

WITNESS REGISTER

Representative Ben Grussendorf
Pouch V, State Capitol
Juneau, AK 99811
Position Statement: Spoke in favor of HCR 2

Marty Nusbaum
Acting Director, Marine Highway Systems
Dept. Transportation/Public Facilities
Juneau, AK
Position Statement: Various comments on bill

POSITION STATEMENT

None

ACTION NARRATIVE

Tape #5

Recording
Number 0018

Chairman Cato called the House Transportation Committee to order at 8:35 a.m. Committee staff present were Steve Soenksen and Rhonda Cargill. Chairman Cato called upon Rep. Ben Grussendorf to testify on his ~~bill~~. resolution

Number 0020

Rep. Grussendorf explained that HCR 2 adds an additional 75 days a senior citizen may ride on the ferry system. The excluded dates which exist at present time, are times which senior citizens would most likely be able to visit relatives or enjoy harvests (i.e. berry-picking). This resolution would allow only free passage on a space-available basis between Alaskan ports on the shuttle ferries, (not ports out of Seattle or Rupert) in an attempt to assist the elderly with transportation.

Last year the fiscal impact showed a loss of \$140,000 and this year a loss of \$175,000, which isn't much when one weighs the costs against the benefits. This resolution does not include staterooms or transporting vehicles, it is only walk-on passage. Whether the ferry shuttle has a full capacity of people or if it is empty, it still makes a scheduled run between ports. Yes, there will be a loss in revenue, but monies are budgeted for running the ferry system with or without people aboard.

Number
0117

From this point until near the end of the ~~of~~ committee meeting there was much committee discussion on this resolution which dealt with such topics as discrimination in regards to senior citizens outside the State of AK, how to identify senior citizens; the fact that the State already subsidizes the marine highway system and this would just be increasing that subsidy a small amount; the intent of the marine system is to give people an extension of the road system to Southeast Alaska; perhaps the committee should draft a letter of intent that upon implementation of this resolution that it be directed to Alaska senior citizens;

Number
0532

At ease

Number 0535

Marty Nusbaum gave comments on the resolution

that he agrees with the concept of the resolution and would like to see more Alaska senior citizens travel on the ferries but was concerned about opening up the marine highway system to outside travelers. At present, senior citizen groups schedule tours as close to summer months as possible and would be concerned that if free passage opened up during summer months that administrative problems would occur at the time when vessels would be heavily used.

Number
0576

Rep. Lacher requested a copy of any legal opinion or court case on this topic if available.

Number
0586

The committee continued to discuss the pros and cons of free passage to senior citizens on a space-available basis.

Number
07..

Chairman Cato requested that the staff of Rep. Grussendorf and the committee staff meet to define and confirm "space available" in the resolution for a committee substitute since it is the general consensus of the committee to pass this resolution out of committee

Number
0750

Meeting adjourned

REPRESENTATIVE
BEN GRUSSENDORF
P.O. BOX 928
SITKA, ALASKA 99835
(907) 747-8458

Alaska State Legislature



WHILE IN JUNEAU
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CHAIRMAN
COMMUNITY AND REGIONAL AFFAIRS COMMITTEE
MEMBER RESOURCES COMMITTEE

DISTRICT 3
ELFIN COVE
PELICAN
PORT ALEXANDER
SITKA
YAKUTAT

House of Representatives

February 24, 1983

MEMORANDUM

TO: Rep. Albert Adams
FROM: Rep. Ben Grussendorf
RE: HCR 2

The effect of this resolution would be to extend the time period that senior citizens could travel free on the Alaska Marine Highway system. Senior citizens are already allowed free travel in Alaska on the ferry system from October 1 through May 14. This resolution would extend free travel to seniors from May 15 to September 30, thus providing free travel to senior citizens for the entire year. Only the smaller "feeder class" ferries, not the mainline ferries, would be included in the time period from May 15 to September 30 (except for the M/V Tustumena, a somewhat larger vessel). This was done to eliminate the majority of the out of state seniors who travel extensively on the mainline ferries in the summer months. This resolution only applies to seniors who are walk on (foot) passengers, and they would be allowed free passage only if there were room for them after all paying passengers were on board and the capacity of the vessel had not been reached.

This presents little or no problem with the ferries that service Southeast communities (the M/V Aurora, Le Conte and the Chilcat). These ferries are seldom full and do not even accept reservations for walk on passengers except during the state fair in Haines and in the event of a special land sale or basketball tournament is going on in one of the communities.

The situation is a little different on the Southwestern Alaska ferries. The M/V Bartlett, servicing Valdez, Cordova and Whittier, does accept reservations for walk on passengers in the summer. This is to accommodate the heavy tourist travel in the summer months to the Columbia Glacier. The Div. of Marine Highways said that this ferry is booked solid for

Page two
Rep. Adams
February 24, 1983

the summer walk on traffic months in advance. This would leave little chance for free passage for any senior citizen.

There is a question as to how many seniors from outside of Alaska would be taking advantage of the reduced fare. Most seniors who travel to Southeast Alaska in the summer are with tour groups. They travel on the mainline ferries because they can be booked by travel agents for staterooms. Most of these groups are on a very tight schedule and would probably not have the time to stray far from their planned itinerary to try and get on a different ferry where they could ride free of charge.

The communities frequented by senior citizen tour groups in Southeast in the summer are Ketchikan, Sitka, Juneau, Haines and Skagway. These ports are all serviced by mainline ferries in addition to the smaller ferries included in the resolution.

The Department of Transportation and Public Facilities has claimed there will be a loss of revenue because of less ticket sales to senior citizens, but the Commissioner has submitted a zero fiscal note because an accurate amount could not be decided on.

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Alaskan Ports Serviced by Ferries Included in HCR 2

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M/V Le Conte- Same as the M/V Aurora

M/V Chilkat- Ketchikan, Hollis and Metlakatla

M/V Bartlett- Valdez, Cordova and Whittier

M/V Tustumena- Kodiak, Pt. Lyons, Seward, Homer, Seldovia, Cordova, Dutch Harbor, Chignik, Sand Point, King Cove, Cold Bay, Whittier and Valdez

cc

LETTER OF INTENT TO ACCOMPANY
HCR 2
HOUSE TRANSPORTATION COMMITTEE

It is the intent of the House Transportation Committee that the Department of Transportation and Public Facilities establish a procedure to define "space available basis".

The Committee intends the definition of "space available basis" in the context of this resolution to require passengers so traveling, be on stand-by until all paying passengers have been accommodated. Passengers would not be allowed to receive confirmed reservations unless they are paying passengers and would not be allowed reimbursement in the event that they purchased tickets and were later able to travel "space available".

REPRESENTATIVE
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P.O. BOX 92B
SITKA, ALASKA 99835
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Members Absent: None

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Acting Director, Marine Highway Systems
Dept. Transportation/Public Facilities
Juneau, AK
Position Statement: Various comments on bill

POSITION STATEMENT

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POSITION PAPER

OLDER ALASKANS COMMISSION

Bill Number: HCR 2

Date: February 24, 1983

Title: Relating to travel by senior citizens aboard vessels of the state marine highway system

This resolution, if implemented, would request the Administration to extend free space-available in-state travel on the State's smaller ferries to senior citizens on a year-round basis and also request the administration to investigate the possibility of reduced rates on staterooms for senior citizens for in-state-travel.

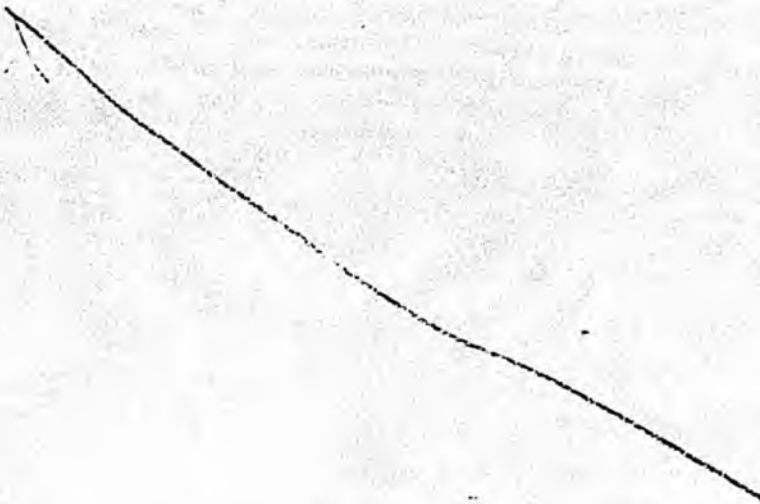
In its analysis of this proposed resolution, the Older Alaskans Commission has also reviewed the House Transportation Committee's letter of intent and the Department of Transportation and Public Facilities' zero fiscal note with analysis which appears in House Journal Supplement No. 6.

Concerning the proposed extended travel season on the smaller ferries, the Older Alaskans Commission is cognizant that the Department of Transportation and Public Facilities' view is that the State would lose too much revenue and does not support the resolution. The Commission, however, believes that with the House Transportation Committee's proposed definition of "space available" there would be little loss of revenue as all paying passengers (presumably this includes paying stand-by passengers as well) would be accommodated first. Also the Commission believes that many of the senior citizens who now travel free are people who would not otherwise make such trips, so revenue loss is probably less than that noted by the Department of Transportation and Public Facilities because the only true revenue loss is from those who would be travelling regardless of whether the fare is free.

Concerning investigation of the possibility of reducing stateroom rates for senior citizens, the Commission believes that reduced stateroom rates, too, can be accomplished on a space-available basis, whereby all paying passengers would be accommodated first so there would be little loss of revenue (on the same basis as stated above).

The Older Alaskans Commission fully supports this resolution with the definition of "space-available basis" recommended by the House Transportation Committee. Reducing ferry system travel costs is something the State can do at no significant cost to the taxpayer which will help some of the State's older citizens immensely. Many older Alaskans use the ferry system when travel is required to obtain health care and other services. Therefore, incentives to their use of the system frequently has a direct and positive health benefit.

HCR2



Lisa Rudd

Lisa Rudd
Commissioner of Administration

Introduced: 1/17/83
Referred: Transportation and Finance

1 IN THE HOUSE

BY GRUSSENDORF AND FRITZ

2

HOUSE CONCURRENT RESOLUTION NO. 2

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

Relating to travel by senior citizens

6

aboard vessels of the state marine

7

highway system.

8

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

9

WHEREAS, since 1974, in response to House Concurrent Resolution

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No. 52, the state marine highway system has provided for travel on ferries

11

by persons 65 years of age and older on a space-available basis within

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Alaska without charge during the months of November to April, inclusive;

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and

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WHEREAS, during 1980, in response to Legislative Resolve No. 2, 1980,

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the period of free passage for older Alaskans aboard state marine highway

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vessels was extended to October 1 to May 15 inclusive; and

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WHEREAS this service has been used by increasing numbers of older

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Alaskans, permitting travel on the marine highway system at no cost while

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increasing the number of foot passengers on vessels of the system; and

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WHEREAS the policy of free passage for older persons allows only

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passage without cost during the "off-season", is not extended to other

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services for senior citizens traveling aboard vessels, and in fact requires

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older persons to pay full costs of lodging; and

24

WHEREAS many senior citizens find it difficult to use vessels of the

25

marine highway system because of the unavailability and high cost of lodg-

26

ing;

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BE IT RESOLVED that the Alaska State Legislature respectfully requests

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the Governor to direct the commissioner of transportation and public facil-

29

ities to direct the division of marine highways to extend free passage on

1 the Aurora, Le Conte, Chilkat, Tustumena, and Bartlett, to senior citizens
2 during every month of the year to permit them to travel between Alaskan
3 ports on a space-available basis; and be it

4 FURTHER RESOLVED that the Governor direct the division of marine high-
5 ways to investigate the possibility of making staterooms aboard state
6 ferries available at a reduced rate to senior citizens when traveling
7 between Alaskan ports.