

COMMITTEE REPORT

SENATE

2/28/83

FURTHER: FINANCE

Date: March 31, 1983

Mr. President:

The Committee on TRANSPORTATION has had SCR 8

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

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- as follows
- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
[Signature]

[Signature]
[Signature]

[Signature]
CHAIRMAN

Introduced: 2/28/83
Referred: Transportations
and Finance

BY RODEY, FERGUSON, RAY,
ZIEGLER AND ELIASON

1 IN THE SENATE

2

SENATE CONCURRENT RESOLUTION NO. 8

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

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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,

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

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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;

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.

STATE OF ALASKA
FISCAL NOTE

Revision Date _____, 1983

I. REQUEST

Bill/Resolution No.: SCR 8
 Title: Senior Citizens Travel Marine Hw.
 Sponsor: Rodey
 Requestor: Transportation

II. FISCAL DETAIL

Agency Affected: DOT/PF
 Program Category Affected: Transportation
 BRU, Program of Subprogram(s) Affected: Marine Highways

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	N/A	(175.0)	(192.0)	(211.0)	(232.0)	(255.0)

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

N/A

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Martin J. Nusbaum Phone: 465-3950
 Division: Marine Highway Systems Date: 3/24/83
 Approved by Commissioner: *[Signature]* Date: 3/29/83
 Department: DOT/PF

Distribution:

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 Copy to Office of Management and Budget (for Legislature introduced bills)
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3/8/83

III. ANALYSIS

Senate Concurrent Resolution No. 8, 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.

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 figures outlined above are viewed as conservative losses because more senior tourists would change travel plans and travel on these vessels in Southeast Alaska instead of the larger vessels for short trips. We also believe that special rates on certain vessels would cause confusion among people not familiar with the various vessels and greatly increase the demand for expansion of free service to all vessels.

POSITION PAPER
OLDER ALASKANS COMMISSION

BILL NUMBER: SCR 8

DATE: March 3, 1983

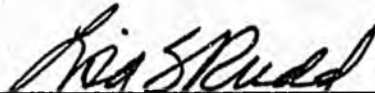
TITLE: Relating to travel by senior citizens aboard vessels of the state
marine highway system

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.

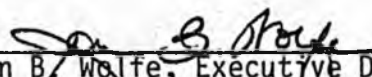
Concerning the extended travel season on the smaller ferries, the Older Alaskans Commission is cognizant that the Department of Transportation and Public Facilities' view is that the State would lose too much revenue and does not support the resolution. The Commission, however, believes that with the Senate 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 travel a 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.



Commissioner of Administration



Jon B. Wolfe, Executive Director

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OTHER (Specify Source)						

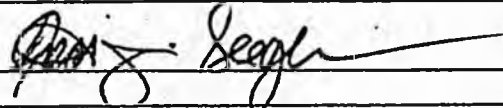
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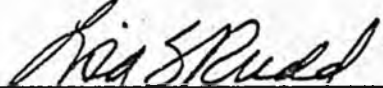
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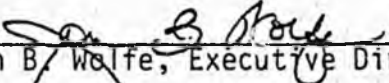
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