

SCR

88

SCR 8 TITLE & SPONSOR SUMMARY  
AMENDED TITLE:  
RELATING TO TRAVEL BY SENIOR CITIZENS ABOARD VESSELS OF  
THE STATE MARINE HIGHWAY SYSTEM

11:05 6/27/83 PAGE 1 OF 2

PRIME SPONSOR: RODEY.  
CO-SPONSORS: FERGUSON, RAY, ZIEGLER, ELIASON.  
CURRENT STATUS: 4/04/83 IN (S) FINANCE

SCR 8 SENATE ACTION

11:06 6/27/83 PAGE 2 OF 2

DATE	SEQ	PAGE	LEGISLATIVE ACTION
02/28/83	01	0281	FIRST READING -- COMMITTEE REPORTS
04/04/83	02	0565	TRAN -- DP02, NR01 FINANCE RULES

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COMMITTEE REPORT  
SENATE

2/28/83

FURTHER: FINANCE

Date: 2/28/83

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:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- and recommends: \_\_\_\_\_  new title
- 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:

\_\_\_\_\_

\_\_\_\_\_

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CHAIRMAN

# Alaska State Legislature

SENATOR  
H. PAPPY MOSS  
P.O. BOX 182  
DELTA JUNCTION, ALASKA 99737  
9071895-4384



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## State Senate

### MEMORANDUM

Date: March 27, 1983

Subject: Back-up for SB 87, SCR 8

To: All Committee Members  
Senate Transportation Committee

From: Senator H. Pappy Moss, Chairman  
Senate Transportation Committee

*Handwritten initials: MB for 4/1/83*

Attached please find back-up material supplied by Senator Mulcahy for Senate Bill 87. There are two separate packets attached, one for the St. George appropriation and one for the St. Paul boat harbor. Also enclosed is back-up material for SCR 8. Since this resolution is the companion legislation for HCR 2, I have enclosed the House Transportation Committee minutes and a copy of the letter of intent signed by the House Committee. Also enclosed is a copy of the Senate State Affairs Committee substitute for HCR 2. As you will note, SCS for HCR 2 extends free passage to handicapped persons as well as senior citizens.

STATE OF ALASKA  
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: SCR 8  
 Title: Senior Citizens Travel Marine Hwy.  
 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)						

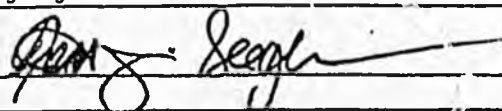
POSITIONS:

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:  Date: 3/29/83  
 Department: DOT/PF

Distribution:

Original to Legislative Finance  
 Copy to Office of Management and Budget (for Legislature introduced bills)  
 Copy to Department (for Governor introduced bills)  
 Copy to Sponsor

### III. ANALYSIS

Senate Concurrent Resolution No. 3, 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.

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MEMBER RESOURCES COMMITTEE

DISTRICT 3  
ELFTIN COVE  
PELICAN  
PORT ALEXANDER  
SITKA  
YAKUTAT

## House of Representatives

### Alaskan Ports Serviced by Ferries Included in HCR 2

M/V Aurora- Ketchikan, Sitka, Hoonah, Tenakee, Pelican, Angoon, Hollis, Petersburg, Kake, Juneau, Haines and Skagway

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

1.  
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# Alaska State Legislature



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DISTRICT 3  
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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 passenger 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

*Township use -!*

1.  
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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.

# DRAFT

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".