

HCR

36

ALASKA/LOWER 48 STATES AIR FARES

DOT&PF - STATEWIDE AVIATION

December 2, 1985

I. INTRODUCTION

This paper conducts two analyses of air fares. The first is a comparison of representative airlines (RA) air fares over three types of routes:

- (1) routes between points in Alaska,
- (2) routes between points in Alaska and points in the Lower 48 States, and
- (3) routes between points in the Lower 48 States.

The intent is to determine how RA air fares in Alaska compare to their air fares in the Lower 48 States. For ease of comparison and data collection, only coach and SuperSaver fares RA have been used.

The second analysis is a comparison of several of RA air fares and air fares of other airlines for trips of comparable length in the Lower 48 States. The intent of this analysis is to determine how RA air fares compare to fares of other airlines. Only coach fares have been compared, again for ease of comparison and data collection.

II. RA FARES; Within Alaska, Alaska to Lower 48 States, and Within the Lower 48 States

Table 1 compares average RA fares for three types of routes in Alaska and the Lower 48 States.

TABLE 1  
RA  
AVERAGE COACH AND SUPERSAVER  
FARES/MILE

<u>RA Routes</u>	<u>RA Coach Fares/Mile</u>	<u>RA SuperSaver Fares/Mile</u>
Within Alaska	\$ .30	\$ .22
Alaska to Lower 48	.21	.15
Within the Lower 48	.22	.15

The Table shows that fares for travel within Alaska far exceed other fares. There may be a variety of explanations for this. Higher labor and operation costs and shorter stage lengths (flight distances) for RA routes within Alaska compared to the Lower 48 States could be one cause of the differential. In addition, traffic densities and load factors are likely to be lower in Alaska. The low traffic in Alaska also results in fewer carriers competing with RA compared to the relatively stiff competition for heavier traveled routes between Alaska and the Lower 48 States and between points in the Lower 48 States.

Table 1 also shows that RA fares for travel between Alaska and the Lower 48 States are comparable to their fares for travel within the Lower 48 States. Some fares are higher than others, but on the average, they are comparable.

Actual fares for travel between points in Alaska are shown in Table A-I in the Appendix. Only fares from Anchorage to outlying communities were used because RA routes to the outlying communities originate in Anchorage. For example, to fly Fairbanks to Deadhorse would require a flight from Fairbanks to Anchorage and another flight from Anchorage to Deadhorse.

Fares range from the highest fare/mile for service to Cordova which has low traffic, a short stage length and only air taxi competition, to the lowest fare in the Anchorage to Fairbanks market which has higher traffic, heavier loads, and greater competition. It should be noted that fares to points in Southeast Alaska are as much as three cents/mile less than the average fares for other routes within Alaska. These fares may be slightly artificially low due to subsidies provided through the Essential Air Service (EAS) program.

Actual fares for travel between Alaska and the Lower 48 States are shown in Table A-II in the Appendix. Fares have been shown from Anchorage, Fairbanks, and Juneau because most routes originate from these points. Coach and SuperSaver fares from Anchorage average about one cent/mile less than fares from Fairbanks and Juneau. The highest fares/mile are for routes to Seattle and Portland while the lowest fares/mile are for the longer routes to Phoenix and Tucson.

Actual fares for travel between points in the Lower 48 States are shown in Table A-III. Fares have been shown for travel from Seattle and Portland since most of the RA routes in the Lower 48 States arrive or depart from these cities.

### III. AIR FARES;

This analysis compares air fares for several of RA routes to fares of other airlines for routes of comparable length in the Lower 48 States. Only coach fares are compared and none of RA routes entirely within the Lower 48 States were examined.

Table II summarizes the results of this comparison. This table shows that, except for routes from Fairbanks to Seattle and Anchorage to Deadhorse, RA flights were consistently cheaper per mile than routes of comparable length by other airlines.

This data has limitations in that only 5 or 6 Lower 48 routes were used for each comparison. In addition, in the case of comparisons of routes within Alaska to routes in the Lower 48 States, in some instances the aircraft flown in the Lower 48 are different from aircraft flown in Alaska. Furthermore, many routes within Alaska utilize 737 aircraft equipped for cargo and passenger loads. In general, however, it appears that RA fares are generally lower than fares of other airlines in the Lower 48 for routes of comparable length.

TABLE II  
COMPARISON OF RA FARES TO OTHER AIRLINES' FARES

<u>RA Route</u>	<u>Approximate Stage Length</u>	<u>RA Coach Fare/Mile</u>	<u>Other Airlines' Average Coach Fare/Mile for Lower 48 Routes of Comparable Length</u>
Anchorage-Seattle	1450 miles	\$ .22	\$ .24
Fairbanks-Seattle	1550 miles	.25	.23
Juneau-Seattle	900	.25	.23
Ketchikan-Seattle	650	.27	.36
Anchorage-Deadhorse	627	.38	.36
Anchorage-Petersburg	677	.29	.36
Anchorage-Sitka	592	.23	.36
Anchorage-Wrangell	700	.27	.36
Anchorage-Bethel	500	.25	.42
Anchorage-Fairbanks	500	.21	.42
Anchorage-Home	530	.37	.42
Anchorage-Kotzebue	540	.36	.42

The Lower 48 States routes used to compare to RA fares are shown in Tables A-IV-AIX.

#### IV. CONCLUSIONS

The data presented in this paper suggests three conclusions, based on a fare per mile comparison.

(1) RA air fares for travel within Alaska are substantially higher than its fares for travel to and within the Lower 48 States. Higher labor and operations costs in Alaska and lower stage lengths and load factors may be the primary reasons for the higher fares for travel in Alaska.

(2) RA air fares for travel from Alaska to the Lower 48 States are, on the average, comparable to RA fares for travel within the Lower 48 States.

(3) RA fares for travel within Alaska and from Alaska to the Lower 48 States are usually lower than fares of other airlines for routes of comparable length in the Lower 48 States.

TW/sg

COMPARISON OF COACH AIR FARES BETWEEN ALASKAN SERVICE HUB COMMUNITIES AND SEATTLE WITH COMPARABLE STAGE LENGTH FLIGHTS IN THE LOWER 48

<u>City Pair</u>	<u>Mileage</u>	<u>Fare/Carrier</u>	<u>O &amp; D Pax</u>	<u>Direct Flight</u>
<del>SECHIKAN-SEATTLE</del>	679	\$184.00 AS	3996	AS
Seattle-Salt Lake City	689	\$129.63 CO \$231.48 UA/WA	7213	UA/WA
Birmingham-Oklahoma City	631	\$268.52 all carriers	441	DL
Boise-Denver	642	\$231.48 UA/WA	4081	FL/UA
Chicago-Oklahoma City	693	\$231.48 AA/EA/OZ/RE/TW/UA	8395	OZ/AA/TW
Bismark-Kansas City	613	\$212.96 FL \$231.48 NW/RC	289	NW
<del>MINNEAPOLIS-SEATTLE</del>	909	\$228.00 AS \$250.00 WA	4460	AS/WA
Portland-San Diego	933	\$166.67 CO \$189.81 PS/UA	7714	PS/UA
Denver-San Francisco	956	\$129.63 CO \$268.52 UA/WA	33164	UA/FL/CO
Atlanta-Omaha	821	\$268.52 AA/NW/OZ/RC/TW/UA	3515	RC/EA/AA
Chicago-Jacksonville	864	\$264.81 DL/EA/OZ/PI/UA	6061	EA/UA/PI
New Orleans-Washington D.C.	969	\$268.52 AL/DL/PI/RC \$305.56 AA	12959	AL/NY/EA/RC/PI
<del>ANCHORAGE-SEATTLE</del>	1448	\$319.00 all carriers	18466	AS/WA/NW/UA
Chicago-Phoenix	1440	\$342.59 AA/DL/EA/TW/UA \$143.52 BN	44186	BN/UA/AA
Omaha-Seattle	1367	\$342.59 NW/RC/TW/UA/WA \$370.37 EA \$180.56 CO	2870	Connections
Dallas/Fort Worth-Spokane	1477	\$342.59 NW/UA/WA \$231.48 FL	1364	FL
Boston-Wichita	1433	\$342.59 AA/EA/RC/TW/UA	1151	TW
Los Angeles-Shreveport	1425	\$338.89 AA/DL \$342.59 RC \$217.59 CO	2090	DL

## Coach Air Fare Comparison

Page 2

<u>City Pair</u>	<u>Mileage</u>	<u>Fare/Carrier</u>	<u>O &amp; D Pax</u>	<u>Direct Flight</u>
<del>ANC-SEA-Cont'd</del>				
Birmingham-Salt Lake City	1471	\$342.59 AA/DL/EA/UA	444	Connections
Minneapolis/St. Paul-Seattle	1399	\$342.59 AA/NW/RC/TW/UA/WA	11831	RC/NW/UA
<del>FAIRBANKS-SEATTLE</del>	1533	\$386.00 AS/UA/WA	3314	AS/UA/WA
Atlanta-Phoenix	1587	\$362.96 AA/DL/EA/TW/UA \$326.85 NW	6897	DL/EA/AA
New York-Lubbock	1613	\$357.41 all carriers	1150	Connections
Los Angeles-Memphis	1619	\$355.56 all carriers	5146	UA/RC/TW
Albuquerque-Washington D.C.	1650	\$364.81 AA/DL/EA/TW/UA \$347.22 NW	6401	TW/AA
Chicago-Spokane	1498	\$250.00 FL \$370.37 NW/UA/WA	1976	UA/NW
<del>NOME-SEATTLE</del>	1987	\$424.00 AS	242	AS Connections
PRUDHOE BAY-SEATTLE	1906	\$549.00 AS	297	AS Connections
Loa Angeles-Miami	2342	\$418.52 AA/DL/NW/PA/PI/RC/TW \$194.44 CO \$180.56 BN	38140	CO/EA/BN/AA/DL
Boise-New York	2167	\$425.93 all carriers	1690	Connections
Atlanta-Boise	1838	\$398.15 UA	457	UA Connections
Phoenix-Washington D.C.	1979	\$398.15 AL/AA/DL/NW/TW/UA/WA \$147.22 BN	10813	TW/AL/NM/BN/AA
Boston-Salt Lake City	2105	\$408.33 AA/DL/EA/RC/TW/UA/WA	3802	WA

O & D Pax = 12 months ending 12/31/84. Number of passengers in 10% sample. Outbound plus inbound.

Data extracted from ATPCO Passenger Tariff issued October 23, 1985. Only those fares that do not have qualifying restrictions have been listed.

This is an unofficial study prepared by the Alaska Field Office of the Department of Transportation  
November 26, 1985

# Alaska State Legislature

REPRESENTATIVE  
ADELHEID HERRMANN

PO BOX 63  
NAKNEK, ALASKA 99633  
(907) 246-4495

While in Juneau  
BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4942, 465-4943



CO-CHAIRMAN  
RESOURCES COMMITTEE

MEMBER  
TRANSPORTATION  
COMMITTEE

## House of Representatives

### DISTRICT 28

ADAK  
AKUTAN  
ALEKNAGIK  
ATKA  
BELKOFSKI  
CLARK'S POINT  
COLD BAY  
DILLINGHAM  
DUTCH HARBOR  
EGEGIK  
EKUK  
EKWOK  
FALSE PASS  
IGIUGIG  
ILIAMNA  
KING COVE  
KING SALMON  
KOKHANOK  
KOLIGANEK  
LEVELOCK  
MANOKOTAK  
NAKNEK  
NELSON LAGOON  
NEWHALEN  
NEW STUYAHOK  
NIKOLSKI  
NONDALTON  
PEDRO BAY  
PILOT POINT  
PORT ALSWORTH  
PORT HEIDEN  
PORT MOLLER  
PORTAGE CREEK  
SAND POINT  
SOUTH NAKNEK  
SQUAW HARBOR  
ST. GEORGE  
ST. PAUL  
TOGIAK  
TWIN HILLS  
UGASHIK  
UNALASKA

### MEMORANDUM

TO: Senator Jack Coghill

FROM: Representative Adelheid Herrmann *Ad*

DATE: April 17, 1986

SUBJECT: Scheduling of CS HCR 36 (Fin)

As you know, my staff has been in touch with your office to request scheduling of House Concurrent Resolution 36, regarding intrastate airfares.

I know that the Senate Committee on Transportation has taken an active interest in the issue of air travel costs in Alaska and I hope that this bill will see prompt action.

I have attached some back-up information on the bill for your consideration. If you have any questions, please contact me.

Attachments

Offered: 4/3/86  
Referred: Rules

Original sponsors: Herrmann, Wallis  
and Thompson

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 36 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION  
5 Relating to intrastate airline travel.

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

7 WHEREAS intrastate air travel is an essential and often the only  
8 effective means of transportation within the state; and

9 WHEREAS competitive market forces in many other states have caused a  
10 decline in commercial air fares; and

11 WHEREAS these same competitive forces have not caused a significant  
12 decline in air fares offered by the major carriers for travel in many  
13 markets of the state; and

14 WHEREAS the cost of air travel between many areas of the state has  
15 become prohibitively expensive; and

16 WHEREAS the high cost of air travel may result from a lack of adequate  
17 competition and may constitute a violation of state or federal law;

18 BE IT RESOLVED by the Alaska State Legislature that the Governor is  
19 respectfully requested to direct the Department of Transportation and  
20 Public Facilities, and the Department of Commerce and Economic Development  
21 to jointly investigate the tariffs charged by major air carriers servicing  
22 various urban and rural areas of the state; and be it

23 FURTHER RESOLVED that the results of the investigation and in parti-  
24 cular recommendations or action by the legislature be reported to the  
25 First Session of the Fifteenth Legislature by January 31, 1987.

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 4/7/86

**REQUEST**

Bill/Resolution No. : CS HCR 36 (FIN)  
 Title : Intrastate air travel  
 \_\_\_\_\_  
 Sponsor : Herrmann  
 Requestor : House Finance Committee  
 Date of Request : 4/7/86

**FISCAL DETAIL**

Agency Affected : DOT&PF  
 BRU : \_\_\_\_\_  
 \_\_\_\_\_  
 Components : \_\_\_\_\_  
 \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		0	0	0	0	0
TRAVEL		0	0	0	0	0
CONTRACTUAL		0	0	0	0	0
SUPPLIES		0	0	0	0	0
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
<b>TOTAL OPERATING</b>		0	0	0	0	0

CAPITAL		0	0	0	0	0
---------	--	---	---	---	---	---

REVENUE		0	0	0	0	0
---------	--	---	---	---	---	---

**FUNDING : (Thousands of Dollars)**

GENERAL FUND		0	0	0	0	0
FEDERAL FUNDS		0	0	0	0	0
OTHER		0	0	0	0	0
<b>TOTAL</b>		0	0	0	0	0

**POSITIONS :**

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

**ANALYSIS :** Attach a separate page if necessary

Funds will be reappropriated in FY 87 to address this investigation of tariffs charged by air carriers servicing urban and rural areas of the state.

*APA*

Prepared by : Al Adams, Chair Phone : 465-3706  
 Division : House Finance Committee Date : 4/7/86

Approved by Commissioner : \_\_\_\_\_ Date : \_\_\_\_\_  
 Agency : \_\_\_\_\_

**Distribution (by Agency preparing fiscal note) :**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

\*  
\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE  
REPS. CATO, DAVIS, SHULTZ, HERRMANN, FURNACE, PIGNALBERI,  
MARROU  
AND REP. HERRMANN  
FROM: LAMAR COTTEN, CITY OF SAND POINT, BOX 177, SAND POINT,  
AK, 99661, 383-2696  
SUBJECT: HCR 36, INTRASTATE AIRLINE INDUSTRY

CITY OF SAND POINT SUPPORT THE EFFORTS OF REP. HERRMANN AND OTHERS TO ANALYZE AND DETERMINE THE HIGH COST OF INTRA STATE TRANSPORTATION AND RECOMMEND THAT THE TRANSPORTATION COMMITTEE INVESTIGATE THIS MATTER.

\*  
\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE  
REPS. CATO, DAVIS, SHULTZ, HERRMANN, FURNACE, PIGNALBERI,  
MARROU  
AND REP. HERRMANN  
FROM: LAMAR COTTEN/CITY OF KING COVE, KING COVE, AK 99612  
SUBJECT: HCR 36, INTRASTATE AIRLINE INDUSTRY

CITY OF KING COVE SUPPORT THE EFFORTS OF REP. HERRMANN AND OTHERS TO ANALYZE AND DETERMINE THE HIGH COST OF INTRA STATE TRANSPORTATION AND RECOMMEND THAT THE TRANSPORTATION COMMITTEE INVESTIGATE THIS MATTER.

\*\*\*\*\*  
\*  
\* DELIVER TO: JPOM \*  
\* \*  
\* \*  
\* ORIGINAL \*  
\* SENT: 01/28/86 TIME: 15:46 \*  
\* FROM: DOROTHY LARSON \*  
\* SUBJECT: HCR36 POM \*  
\* PRINT DATE: 01/28/86 TIME: 15:47 \*  
\* \*  
\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE  
REPRESENTATIVE CATO, CHAIR  
REPRESENTATIVES DAVIS, FURNACE, HERRMANN, MARROU,  
PIGNALBERI AND SHULTZ  
  
REPRESENTATIVES WALLIS AND THOMPSON  
  
SENATOR ZHAROFF, ALASKA STATE SENATE

FROM: CARLOS TENIENTE, BOX 34, ADAK, ALASKA, FPO  
SEATTLE 98791

RE: HCR36, RELATING TO AIRLINE TRAVEL

URGE YOUR POSITIVE CONSIDERATION AND PASSAGE OF HCR36. AIRLINE TRAVEL IS AN AREA OF GREAT CONCERN TO THOSE OF US IN THE RURAL AREAS AND THOSE WHOSE PRIAMRY MODE OF TRAVEL IS BY AIR CARRIER AND QUITE COSTLY. THANK YOU.

\*\*\*\*\*  
\*  
\* DELIVER TO: JPOM \*  
\* \*  
\* ORIGINAL \*  
\* SENT: 01/28/86 TIME: 15:01 \*  
\* FROM: DOROTHY LARSON \*  
\* SUBJECT: POM - HCR 36 \*  
\* PRINT DATE: 01/28/86 TIME: 15:02 \*  
\* \*  
\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE  
REPRESENTATIVES CATO, DAVIS, FURNACE, HERRMANN,  
MARROU, PIGNALBERI, SHULTZ

FROM: IDA APOKEDAK, PRESIDENT, EXECUTIVE COMMITTEE,  
BRISTOL BAY AREA HEALTH CORPORATION, DILLINGHAM,  
ALASKA 99576  
PHONE - 842-5201

RE: HCR 36, RELATING TO INTRASTATE AIRLINE TRAVEL

THE EXECUTIVE COMMITTEE OF THE BRISTOL BAY AREA HEALTH CORPORATION MET TODAY AND VOTED BY RESOLUTION TO SUPPORT HCR 36 RELATING TO THE HIGH COST OF AIRLINE TRAVEL IN RURAL AREAS. WE HOPE THAT SOMETHING CAN BE DONE TO LOWER AIRFARES. PLEASE PASS HCR 36. OTHER MEMBERS OF THE EXECUTIVE BOARD ARE JOHN MARK, ANDREW WASSILLIE AND ALVIN BOSKOFKY.

\*\*\*\*\*  
\*  
\* DELIVER TO: JPOM \*  
\* \*  
\* \*  
\* ORIGINAL \*  
\* SENT: 01/28/86 TIME: 16:30 \*  
\* FROM: JEAN MILLER \*  
\* SUBJECT: POM \*  
\* PRINT DATE: 01/28/86 TIME: 16:53 \*  
\* \*  
\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE

REPRESENTATIVES CATO, DAVIS, SHULTZ, HERRMANN, FURNACE  
PIGNALBERI AND MARROU

FROM: DR. LEROY OWENS  
SUPERINTENDENT, ALEUTIAN REGION SCHOOL DISTRICT  
640 WEST 36TH, SUITE 3  
ANCHORAGE, AK 99503 PHONE: 562-2924

SUBJECT: HCR 36 INTRASTATE TRAVEL

THE ALEUTIAN REGION SCHOOL DISTRICT SUPPORTS THE ATTENTION OF HCR 36 TO INVESTIGATE THE RATE CHARGE FOR INTRASTATE TRAVEL. RATE INCREASES HAVE RESTRICTED THE ABILITY OF RURAL DISTRICT TO OPERATE EFFECTIVELY. SEVERAL RURAL DISTRICTS ARE INVOLVED IN AN ATTEMPT TO NEGOTIATE THEIR RATES FOR REQUIRED DISTRICT TRAVEL. THIS EFFORT COULD BE GREATLY AIDED BY PASSAGE OF HCR 36.

\*\*\*\*\*  
\*  
\* DELIVER TO: JPOM  
\*  
\*  
\* ORIGINAL  
\* SENT: 01/28/86 TIME: 16:32  
\* FROM: DOROTHY LARSON  
\* SUBJECT: HCR 36 - POM  
\* PRINT DATE: 01/28/86 TIME: 16:54  
\*  
\*\*\*\*\*

9

TO: HOUSE TRANSPORTATION COMMITTEE  
  
REPRESENTATIVE CATO, CHAIR, REPRESENTATIVES DAVIS,  
FURNACE, HERRMANN,  
  
MARROU, PIGNALBERI, AND  
SHULTZ  
  
REPRESENTATIVES WALLIS AND THOMPSON  
  
FROM: ~~SOUTHWEST REGION SCHOOLS, DILLINGHAM, AK 842-5287~~  
  
RE: ~~HCR 36 RELATING TO AIRLINE TRAVEL~~

THE SOUTHWEST REGION BOARD OF EDUCATION SUPPORTS HCR 36 AND FURTHER REQUESTS THAT THE LEGISLATURE INVESTIGATE SOME FORM OF SUBSIDY AS CURRENTLY PRACTICAL WITH STUDENT TRAVEL ON THE STATE FERRY SYSTEM.

AIR TRAVEL IS THE ONLY FORM OF TRANSPORTATION BETWEEN OUR SITES OR MAJOR COMMUNITIES OUTSIDE OF OUR DISTRICT.

IT MAY BE OF INTEREST TO KNOW THAT THE COST OF A ROUND TRIP TICKET TO ANCHORAGE, 300 MILES FROM DILLINGHAM APPROXIMATES THE COST OF A ROUND TRIP TICKET FROM ANCHORAGE TO SAN FRANCISCO, 2,018 AIR MILES.

\*  
\* DELIVER TO: JPOM  
\*  
\*  
\* ORIGINAL  
\* SENT: 01/28/86 TIME: 16:42  
\* FROM: DOROTHY LARSON  
\* SUBJECT: HCR 36 - POM  
\* PRINT DATE: 01/28/86 TIME: 16:54  
\*  
\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE MEMBERS  
REPRESENTATIVES CATO, CHAIR, REPRESENTATIVES DAVIS,  
FURNACE, HERRMANN,  
MARROU, FIGNALBERI, AND SHULTZ  
REPRESENTATIVES WALLIS AND THOMPSON

FROM: NORMAN ANDERSON, BOX 142, NAKNEK, AK, 99633

RE: HCR 36, RELATING TO AIR TRAVEL INTRASTATE

I WISH TO EXPRESS MY VIEWS ON HCR36. TRANSPORTATION COSTS IN THE BRISTOL BAY AREA ARE AT AN ALL TIME HIGH. ALTHOUGH WE ARE ENJOYING A REDUCED FARE PRESENTLY, THIS IS A TEMPORARY AND TIMELY FIXED RATE. IN A COUPLE OF WEEKS, WE AGAIN, WILL HAVE TO PAY THE INFLATED SCHEDULED RATES WHICH, FIRSTLY MAKES TRAVEL BY SMALL CHARTER AIRLINES MORE ATTRACTIVE WHICH IS PLACING MORE OF A RISK TO TRAVELERS. SMALL PLANES ARE MORE SUSCEPTIBLE TO THE HARSH WEATHER AND TERRAIN CONDITIONS BETWEEN THE ANCHORAGE AND BRISTOL BAY AREA.

SECONDLY, TRAVEL BETWEEN ANCHORAGE AND OUR AREAS IS COMPARED TO TRAVEL COAST TO COAST OUTSIDE. MANY PEOPLE ARE LIMITED TO TRAVEL OUTSIDE THE METROPOLITAN AREA BECAUSE OF THE HIGH COST OF AIRFARE LIMITING THE AVAILABILITY AND ACCESS TO LESS EXPENSIVE PRODUCTS FORCING US TO PAY THE HIGH COST LOCALLY. WE ARE A CAPTIVE AUDIENCE AND AT THE MERCY OF THESE AIR PIRATES.

\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE  
REPRESENTATIVE CATO, CHAIR, REPRESENTATIVES DAVIS,  
FURNACE, HERRMANN, MARROU  
FIGNALBERI, SHULTZ

REPRESENTATIVES WALLIS AND THOMPSON

FROM: BILLIE BENEDICT, BOX 10019, DILLINGHAM, AK.

RE:

I WOULD LIKE TO FULLY SUPPORT REPRESENTATIVE HERRMANN'S, THOMPSON'S AND WALLIS' LEGISLATION FOR LOOKING INTO AIR FARES TO RURAL ALASKA AREAS. IN CHOOSING TO LIVE IN ISOLATION, WE WERE AWARE OF THE SACRIFICES. HOWEVER, THE HIGH AIR FARES ARE NOT ONLY AN INCONVENIENCE WHICH PREVENTS US FROM TAKING VACATION OUTSIDE OUR AREA, BUT MOST OF US LEFT FAMILIES BEHIND FROM WHOM WE ARE CUT OFF. ALSO, CONSIDER THE COST TO THE STATE FOR THESE AIR FARES WHEN STATE WORKERS AND WORKERS FROM STATE FUNDED ORGANIZATIONS TRAVEL. THE COST IN OUR COMMUNITY ALONE IS INCREDIBLE. I WOULD LIKE TO SEE SOMETHING POSITIVE DONE TO INCLUDE US IN THE REST OF THE WORLD.

\*\*\*\*\*  
\*  
\* DELIVER TO: JPOM  
\*  
\*  
\* ORIGINAL  
\* SENT: 01/28/86 TIME: 16:14  
\* FROM: DOROTHY LARSON  
\* SUBJECT: HCR 36 POM  
\* PRINT DATE: 01/28/86 TIME: 16:40  
\*  
\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE MEMBERS  
REPRESENTATIVES CATO, CHAIR, REPRESENTATIVES DAVIS,  
FURNACE, HERRMANN, AND MARROU,  
PIGNALBERI AND SHULTZ  
  
REPRESENTATIVES WALLIS AND THOMPSON  
  
SENATOR FRED ZHAROFF, ALASKA STATE SENATE  
  
FROM: SUE FLENSBURGER, BOX 174, DILLINGHAM, AK., 842-2666  
  
RE: HCR36-RELATING TO AIRLINE TRAVEL

BRISTOL BAY REGION IS ACCESSIBLE TO THE REST OF ALASKA BY AIR AND WATER ONLY. THE COMMERCIAL AIRLINES SERVING OUR REGION HAVE EXCESSIVE FARES CREATING AN ECONOMIC HARDSHIP. AN AUTHORIZED INVESTIGATION INTO THIS SITUATION IS WARRANTED. A MEANS OF ALLEVIATING INSURANCE PROBLEMS FOR AIR TAXIS ALSO DESERVES CONSIDERATION AND ATTENTION.

\*\*\*\*\*  
\*  
\* DELIVER TO: JPOM \*  
\* \*  
\* ORIGINAL \*  
\* SENT: 01/28/86 TIME: 16:06 \*  
\* FROM: LIOKOD \*  
\* SUBJECT: KODIAK POM \*  
\* PRINT DATE: 01/28/86 TIME: 16:32 \*  
\*  
\*\*\*\*\*

TO: REPRESENTATIVES CATO, DAVIS, FURNACE, HERRMANN, MARROU,  
PIGNALBERI, SHULTZ

FR: NANCY GROSS, MANAGER  
CITY OF UNALASKA  
P.O. BOX 89  
UNALASKA, ALASKA 99685  
PH: 581-1251

RE: HCR 36 - INTRASTATE AIRLINE TRAVEL

UNALASKA SUPPORTS HCR 36. THREE CARRIERS NOW SERVE US AND THE  
TICKETS HAVE GONE UP. WE WOULD LIKE TO KNOW WHY.

\*\*\*\*\*  
 \*  
 \* DELIVER TO: JFOM \*  
 \* \*  
 \* ORIGINAL \*  
 \* SENT: 01/29/86 TIME: 09:38 \*  
 \* FROM: DOROTHY LARSON \*  
 \* SUBJECT: HCR36-POM \*  
 \* PRINT DATE: 01/29/86 TIME: 09:39 \*  
 \* \*  
 \*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE MEMBERS  
 REPRESENTATIVES CATO, CHAIR; DAVIS, FURNACE,  
 HERRMANN, MARROU, PIGNALBERI, AND SHULTZ  
 REPRESENTATIVES WALLIS AND THOMPSON  
 SENATOR FRED ZHAROFF, ALASKA STATE SENATE

FROM: SHELLEY FARLER, BOX 1001B, DILLINGHAM, AK, 99576

RE: HCR36, AIRLINE TRAVEL

PLEASE PASS HCR36 OUT OF YOUR COMMITTEE, AIR FARES ARE EXTREMELY HIGH WHEN TRAVELING FROM RURAL ALASKA TO THE LARGER CITIES. STUDY SHOULD BE CONDUCTED TO DETERMINE WHY THIS IS SO.

TO: HOUSE TRANSPORTATION COMMITTEE MEMBERS,  
 REPRESENTATIVES CATO - CHAIR, DAVIS, FURNACE,  
 HERRMANN, MARROU, PIGNALBERI, SHULTZ  
 REPRESENTATIVES WALLIS AND THOMPSON  
 SENATOR FRED ZHAROFF, ALASKA STATE SENATE

FROM: KEN HARPER, DILLINGHAM, AK, 99576

RE: HCR36 - AIRLINE TRAVEL

URGE PASSAGE OF HCR36 TO STUDY THE TARIFFS THAT ARE CHARGED RURAL ALASKANS TO TRAVEL. WE PAY HIGH PRICES TO TRAVEL WITHIN THE STATE. WHY IS IT CHEAPER TO TRAVEL TO THE LOWER 48 THAN TO TRAVEL INTRASTATE?

\*\*\*\*\*  
\*  
\* DELIVER TO: JPOM \*  
\* \*  
\* ORIGINAL \*  
\* SENT: 01/29/86 TIME: 09:05 \*  
\* FROM: DOROTHY LARSON \*  
\* SUBJECT: HCR36-POM \*  
\* PRINT DATE: 01/29/86 TIME: 09:08 \*  
\* \*  
\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE  
REPRESENTATIVES CATO, CHAIR, DAVIS, FURNACE  
HERRMANN, MARROU, PIGNALBERI, SHULTZ  
REPRESENTATIVES WALLIS AND THOMPSON

SENATOR ZHAROFF, ALASKA STATE SENATE

FROM: DAVE FISHER, BOX 10201, DILLINGHAM, 99576

RE: HCR36 AIRLINE TRAVEL

URGE SUPPORT OF HCR 36 CONCERNING INTRASTATE AIRLINE TRAVEL.  
COST OF TRANSPORTATION TO RURAL AREAS IS PROHIBITIVE COMPARED TO  
TRAVEL OUT OF THE STATE. URGE CONSIDERATION THAT THESE AIR FARES  
BE STUDIED.

TO: HOUSE TRANSPORTATION COMMITTEE MEMBERS  
REPRESENTATIVES CATO, CHAIR, DAVIS, FURNACE,  
HERRMANN, MARROU,  
PIGNALBERI AND SHULTZ

REPRESENTATIVES WALLIS AND THOMPSON

SENATOR ZHAROFF, ALASKA STATE SENATE

FROM: JOHANNA BOUKER, BOX 241, DILLINGHAM, ALASKA 99576,  
- PH 842-5433

RE: HCR36 RELATING TO AIRLINE TRAVEL

IT APPEARS MAJOR STRUCTURAL CHANGES WILL TAKE PLACE AMONG RURAL  
CARRIERS DUE TO DEREGULATION. INSURANCE RATES ARE AT A  
PREMIUM-ONE OF THE CAUSES FOR HIGH FARES. (LOWERING FARES MIGHT  
CONSTITUTE HAZARD TO RURAL TRAVELERS IN CARRIERS ATTEMPT TO SAVE  
ON MAINTENANCE COSTS, ETC..) MAJOR CARRIERS RATES BETWEEN CITIES  
AND BUSH SHOULD BE STUDIED.

\*\*\*\*\*  
 \*  
 \* DELIVER TO: JPOM  
 \*  
 \* ORIGINAL  
 \* SENT: 01/29/86 TIME: 09:14  
 \* FROM: DOROTHY LARSON  
 \* SUBJECT: HCR36-POM  
 \* PRINT DATE: 01/29/86 TIME: 09:14  
 \*  
 \*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE  
 REPRESENTATIVES CATO, CHAIR, DAVIS, FURNACE  
 HERRMANN, MARROU, PIGNALBERI, SHULTZ  
 REPRESENTATIVES WALLIS AND THOMPSON  
 SENATOR ZHAROFF, ALASKA STATE SENATE  
 FROM: LEE HOTCHKISS, BOX 10201, DILLINGHAM, AK 99576  
 RE: HCR36-RELATING TO AIRLINE TRAVEL

PLEASE CONSIDER PASSAGE OF HCR36 TO UNDERTAKE A STUDY OF AIR  
 FARES TO RURAL ALASKA, WE LIVING OUT HERE KNOW THE AIR FARES  
 CHARGED ARE EXTREMELY HIGH. WHY IS IT CHEAPER TO GO FROM  
 ANCHORAGE TO THE LOWER 48 THAN IT IS FOR US TO GET TO ANCHORAGE?

\*\*\*\*\*  
 TO: HOUSE TRANSPORTATION COMMITTEE MEMBERS  
 REPRESENTATIVES CATO, CHAIR, DAVIS, FURNACE,  
 HERRMANN, MARROU, PIGNALBERI, SHULTZ  
 REPRESENTATIVES WALLIS AND THOMPSON  
 SENATOR FRED ZHAROFF, ALASKA STATE SENATE  
 FROM: MARK LISAC, BOX 2818, DILLINGHAM, AK 99576  
 RE: HCR36-AIRLINE TRAVEL

HOPE THAT YOU WILL CONSIDER HCR36 FAVORABLY. AIRLINE TRAVEL TO  
 RURAL AREAS NEEDS TO BE STUDIED AND REASONS GIVEN FOR THE  
 DISCREPANCY AND DIFFERENCES IN AIR TRAVEL FROM URBAN TO RURAL  
 AREAS VERSUS THE COST OF TRAVEL FROM OUR URBAN CENTERS TO LOWER  
 48 AND HAWAII.

\*\*\*\*\*  
\* DELIVER TO: JPOM \*  
\* \* \* \* \*  
\* ORIGINAL \*  
\* SENT: 02/11/86 TIME: 15:57 \*  
\* FROM: LIODLG \*  
\* SUBJECT: PUBLIC OPINION MESSAGE \*  
\* PRINT DATE: 02/11/86 TIME: 15:57 \*  
\* \* \* \* \*  
\*\*\*\*\*

TO: HOUSE TRANSPORTATION COMMITTEE MEMBER:  
REPRESENTATIVE CATO, CHAIR, REPRESENTATIVES DAVIS  
FURNACE, HERRMANN  
MARROU, PIGNALBERI, AND SHULTZ  
  
SENATOR ZHAROFF

FROM: SHIRLEY CHAPMAN, P.O. BOX 442, KING SALMON, AK. 99613  
PH 246-4442

RE: HCR 36: AIRLINE TRAVEL

AIRLINE RATES ARE SO HIGH MOST PEOPLE IN THE BUSH AREAS CAN'T AFFORD THEM.

EOM

STATEMENT OF REPRESENTATIVE ADELHEID HERRMANN

CS HCR 36: Intrastate Airfares

House Finance Committee

March 26, 1986

MISTER CHAIRMAN, MEMBERS OF THE COMMITTEE, I WOULD LIKE TO GIVE BRIEF TESTIMONY ON CS HCR 36, A RESOLUTION CONCERNING THE COST OF INTRASTATE AIRLINE TRAVEL -- THAT IS, AIR TRAVEL WITHIN THE STATE OF ALASKA.

IN THIS RESOLUTION, THE LEGISLATURE IS ASKING THE GOVERNOR TO DIRECT THE DEPARTMENT OF TRANSPORTATION AND THE DEPARTMENT OF COMMERCE TO INVESTIGATE THE AIRFARES BEING CHARGED BY THE MAJOR AIR CARRIERS TO RURAL ALASKA.

MISTER CHAIRMAN, IF YOU LOOK INSIDE YOUR COMMITTEE PACKETS YOU WILL FIND A BRIEF SURVEY OF AIRFARE COSTS FOR TRAVEL ROUND TRIP FROM ANCHORAGE TO SEVERAL COMMUNITIES IN MY DISTRICT. THESE FARES ARE JUST TRAVEL TO ANCHORAGE -- IF YOU ADD THE COST OF TRAVEL TO JUNEAU YOU CAN ADD ANOTHER COUPLE OF HUNDRED DOLLARS.

MISTER CHAIRMAN, FOR THE COST OF TRAVEL TO ANCHORAGE AND

JUNEAU FROM MANY OF THE COMMUNITIES IN MY DISTRICT YOU COULD TRAVEL ALL THE WAY ACROSS THE U.S. OR TO EUROPE.

I SHOULD ALSO LIKE TO NOTE THAT I DID A SIMILAR AIRFARE SURVEY OF THESE COMMUNITIES ALMOST EXACTLY ONE YEAR AGO AND HAVE FOUND THAT NEARLY ALL OF THESE FARES HAVE INCREASED -- SOME AS MUCH AS 10 TO 15 PERCENT. ONLY ONE FARE -- A SPECIAL WEEKEND FARE -- DECREASED IN COST.

MISTER CHAIRMAN, I THINK IT IS FAIR TO SAY THAT MANY OF MY CONSTITUENTS -- AND RESIDENTS THROUGHOUT THE ENTIRE STATE FOR THAT MATTER -- FEEL THAT AIRFARES LIKE THIS ARE OUTRAGEOUS. IN THE WAKE OF AIRLINE DEREGULATION, AIR TRAVEL CONSUMERS ARE IN THE DARK AND THERE IS A GENERAL PERCEPTION THAT THESE FARES ARE UNREASONABLY HIGH.

WHETHER THE MAJOR AIR CARRIERS ARE, IN FACT, CHARGING UNREASONABLE FARES IS NOT CLEAR AND THAT IS THE REASON FOR THIS RESOLUTION.

AS YOU CAN ALSO SEE FROM THE BACK-UP MATERIALS FOR THIS RESOLUTION, THE ALASKA DEPARTMENT OF TRANSPORTATION HAS UNDERTAKEN A VERY BRIEF ANALYSIS OF AIRFARES OF A "REPRESENTATIVE AIRLINE" WHICH HAS PRODUCED INCONCLUSIVE FINDINGS. AT THIS POINT, THE DEPARTMENT FEELS THAT IT REQUIRES ADDITIONAL EXPERTISE OUTSIDE OF THE DEPARTMENT TO PURSUE THIS QUESTION

FURTHER. ACCORDINGLY, YOU WILL FIND THAT THIS RESOLUTION HAS A FISCAL NOTE CALLING FOR AN APPROPRIATION OF 50,000 DOLLARS TO SUPPORT THE NECESSARY INVESTIGATION OF AIRFARES. I WILL LET THE DEPARTMENT EXPAND ON THIS.

[NOTE: RON LIND SHOULD BE THERE TO REPRESENT DOTPF]

TO SUMMARIZE, MISTER CHAIRMAN, THE INTENT OF CS HCR 36 IS TO INVESTIGATE THE HIGH COST OF AIRFARES TO AND FROM RURAL AREAS OF THE STATE AND TO DETERMINE WHETHER THESE PRICES ARE REASONABLE. IS IT THE COST OF FUEL...? IS IT INSURANCE...? A LACK OF PASSENGERS...? WHAT EXACTLY IS IT THAT IS CAUSING THESE HIGH AIRFARES?

THANK YOU.

DISTRICT AIRFARE RATES  
 ROUNDTrip AIRFARE FROM/TO ANCHORAGE  
 MARCH 24, 1986

<u>REEVE ALEUTIAN</u>	<u>COACH</u>	<u>*SUPER SAVER</u>	<u>OTHER</u>
ADAK	\$ 866.00	650.00	
COLD BAY	604.00	453.00	
DUTCH HARBOR	620.00	465.00	
KING COVE	624.00	541.00	
SAND POINT	562.00	422.00	
SHEMIYA	1176.00	882.00	
ST. PAUL	816.00	612.00	
 <u>AIRPAC</u>			
DUTCH HARBOR	682.00	512.00	
 <u>MARKAIR</u>			
DILLINGHAM	320.00	241.00	163.00 (1)
KING SALMON	320.00	241.00	163.00 (1)
 <u>ALASKA AIRLINES</u>			
ILIAMNA	162.00	120.00	

\* Reeve Aleutian: 7 days advance purchase  
 All others: 14 days advance purchase

(1) Weekend Rate

- D R A F T -

ALASKA/LOWER 48 STATES AIR FARES

DOT&PF - STATEWIDE AVIATION

December 2, 1985

I. INTRODUCTION

This paper conducts two analyses of air fares. The first is a comparison of representative airlines (RA) air fares over three types of routes:

- (1) routes between points in Alaska,
- (2) routes between points in Alaska and points in the Lower 48 States, and
- (3) routes between points in the Lower 48 States.

The intent is to determine how RA air fares in Alaska compare to their air fares in the Lower 48 States. For ease of comparison and data collection, only coach and SuperSaver fares RA have been used.

The second analysis is a comparison of several of RA air fares and air fares of other airlines for trips of comparable length in the Lower 48 States. The intent of this analysis is to determine how RA air fares compare to fares of other airlines. Only coach fares have been compared, again for ease of comparison and data collection.

II. RA FARES; Within Alaska, Alaska to Lower 48 States, and Within the Lower 48 States

Table I compares average RA fares for three types of routes in Alaska and the Lower 48 States.

TABLE I  
RA  
AVERAGE COACH AND SUPERSAVER  
FARES/MILE

<u>RA Routes</u>	<u>RA Coach Fares/Mile</u>	<u>RA SuperSaver Fares/Mile</u>
Within Alaska	\$ .30	\$ .27
Alaska to Lower 48	.21	.15
Within the Lower 48	.22	.15

The Table shows that fares for travel within Alaska far exceed other fares. There may be a variety of explanations for this. Higher labor and operation costs and shorter stage lengths (flight distances) for RA routes within Alaska compared to the Lower 48 States could be one cause of the differential. In addition, traffic densities and load factors are likely to be lower in Alaska. The low traffic in Alaska also results in fewer carriers competing with RA compared to the relatively stiff competition for heavier traveled routes between Alaska and the Lower 48 States and between points in the Lower 48 States.

Table I also shows that RA fares for travel between Alaska and the Lower 48 States are comparable to their fares for travel within the Lower 48 States. Some fares are higher than others, but on the average, they are comparable.

Actual fares for travel between points in Alaska are shown in Table A-I in the Appendix. Only fares from Anchorage to outlying communities were used because RA routes to the outlying communities originate in Anchorage. For example, to fly Fairbanks to Deadhorse would require a flight from Fairbanks to Anchorage and another flight from Anchorage to Deadhorse.

Fares range from the highest fare/mile for service to Cordova which has low traffic, a short stage length and only air taxi competition, to the lowest fare in the Anchorage to Fairbanks market which has higher traffic, heavier loads, and greater competition. It should be noted that fares to points in Southeast Alaska are as much as three cents/mile less than the average fares for other routes within Alaska. These fares may be slightly artificially low due to subsidies provided through the Essential Air Service (EAS) program.

Actual fares for travel between Alaska and the Lower 48 States are shown in Table A-II in the Appendix. Fares have been shown from Anchorage, Fairbanks, and Juneau because most routes originate from these points. Coach and SuperSaver fares from Anchorage average about one cent/mile less than fares from Fairbanks and Juneau. The highest fares/mile are for routes to Seattle and Portland while the lowest fares/mile are for the longer routes to Phoenix and Tucson.

Actual fares for travel between points in the Lower 48 States are shown in Table A-III. Fares have been shown for travel from Seattle and Portland since most of the RA routes in the Lower 48 States arrive or depart from these cities.

### III. AIR FARES,

This analysis compares air fares for several of RA routes to fares of other airlines for routes of comparable length in the Lower 48 States. Only coach fares are compared and none of RA routes entirely within the Lower 48 States were examined.

Table II summarizes the results of this comparison. This table shows that, except for routes from Fairbanks to Seattle and Anchorage to Deadhorse, RA flights were consistently cheaper per mile than routes of comparable length by other airlines.

This data has limitations in that only 5 or 6 Lower 48 routes were used for each comparison. In addition, in the case of comparisons of routes within Alaska to routes in the Lower 48 States, in some instances the aircraft flown in the Lower 48 are different from aircraft flown in Alaska. Furthermore, many routes within Alaska utilize 737 aircraft equipped for cargo and passenger loads. In general, however, it appears that RA fares are generally lower than fares of other airlines in the Lower 48 for routes of comparable length.

TABLE II  
COMPARISON OF RA FARES TO OTHER AIRLINES' FARES

<u>RA Route</u>	<u>Approximate Stage Length</u>	<u>RA Coach Fare/Mile</u>	<u>Other Airlines' Average Coach Fare/Mile for Lower 48 Routes of Comparable Length</u>
Anchorage-Seattle	1450 miles	\$ .22	\$ .24
Fairbanks-Seattle	1550 miles	.25	.23
Juneau-Seattle	900	.25	.22
Ketchikan-Seattle	650	.27	.30
Anchorage-Deadhorse	627	.32	.36
Anchorage-Petersburg	577	.29	.36
Anchorage-Sitka	592	.29	.36
Anchorage-Wrangel	700	.27	.36
Anchorage-Bethel	500	.25	.42
Anchorage-Fairbanks	500	.21	.42
Anchorage-Nome	530	.27	.42
Anchorage-Kotzebue	540	.26	.42

The Lower 48 States routes used to compare to RA fares are shown in Tables A-IV-A1X.

#### IV. CONCLUSIONS

The data presented in this paper suggests three conclusions, based on a fare per mile comparison.

(1) RA air fares for travel within Alaska are substantially higher than its fares for travel to and within the Lower 48 States. Higher labor and operations costs in Alaska and lower stage lengths and load factors may be the primary reasons for the higher fares for travel in Alaska.

(2) RA air fares for travel from Alaska to the Lower 48 States are, on the average, comparable to RA fares for travel within the Lower 48 States.

(3) RA fares for travel within Alaska and from Alaska to the Lower 48 States are usually lower than fares of other airlines for routes of comparable length in the Lower 48 States.

TH/sg