

SCR

22

**FISCAL NOTE**

**STATE OF ALASKA**  
**1991 LEGISLATIVE SESSION**

BILL NO. SCR 22

Revision Date: \_\_\_\_\_ Department Affected: DOTPF  
 Title: State transportation system BRU: \_\_\_\_\_  
 Component: \_\_\_\_\_

Sponsor: Sen. Rodey  
 Requestor: Sen. Menard COMPONENT SERIAL NO. 

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS. CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

Estimate of current year impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Johanna Munson, Sen. Menard staff Phone: 465-2679  
 Division: \_\_\_\_\_ Date: \_\_\_\_\_

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

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Department of Transportation & Public Facilities  
Rural Airport System

---

**REVENUE RECOMMENDATIONS**  
**Aviation Fuel Tax - Land and Property Rent**

**NEW RENTAL RATES**

The Department of Transportation and Public Facilities (DOT&PF) plans to implement new rental rates for land and other property interests at rural airports, starting by July 1, 1991. In September 1990, DOT&PF proposed new land rental rates based on Consumer Price Index changes since 1968 (when the existing rental rates were adopted). The rates were set to vary depending on the type of airport, with lower rent applying at smaller, less improved airports and higher rent applying to the larger, more sophisticated airfields. At the same time, DOT&PF also proposed new rental rates for airport boundary crossing rights, seaplane facilities, and DOT&PF-owned buildings.

Last fall DOT&PF conducted hearings to receive input from airport users on the new rate proposals. Based on the testimony results, DOT&PF plans to implement the rental rates for boundary crossing permits, seaplane facilities, and DOT&PF-owned buildings that were proposed in the August 30, 1990, Rural Airport Rates and Fees Report. DOT&PF will also implement new land rental rates based on the same calculation formulas that were presented in the Report, except that 30% of the post-1968 CPI change will be applied instead of 40%. The resulting land rental rates will range from approximately 3.3¢/sq. ft./yr. for aviation leases at the smallest airports to 10.7¢/sq. ft./yr. for non-aviation leases at the largest rural airports. This compares to the rates proposed last fall of 3.7¢ to 12¢/sq. ft./yr. and the current rates of 2¢ to 6¢/sq. ft./yr.

The new rental rates are expected to generate \$800,000 to \$900,000 in additional airport revenue in Fiscal Year 1992.

**AVIATION FUEL TAX INCREASE**

During the airport rates and fees hearings conducted by DOT&PF in 1988 and 1990, airport users frequently said that, if new fees were needed to operate airports, they would support an aviation fuel tax increase as an alternative to the proposed landing fee system. The advantages recited for a tax increase over landing fees included: increasing the rate of an existing tax would not increase overhead costs for the aircraft operator or the state, a modest tax increase would generate considerably more revenue than landing fees, and every aircraft operator would pay in direct proportion to the amount of flying he does.

As a result of the hearing testimony on this subject, DOT&PF and the Department of Revenue plan to present a proposal to the 1991 Legislature calling for a 2¢/gallon aviation fuel tax increase. The resulting tax rates will be 4.5¢/gallon for fuel and 6¢/gallon for aviation gasoline. It is estimated that the 2¢/gallon increase will generate an additional \$4 - \$5 million in new airport revenue in Fiscal Year 1992. If the legislature fails to adopt the increased aviation fuel tax, DOT&PF will institute landing fees at all certified airports in lieu of the tax increase.



*Department of Transportation  
and Public Facilities*

# POSITION PAPER

BILL NO: SCR 22

APPROVED: *Handy Sumner*

TITLE: State Transportation System

DATE: April 16, 1991

The department opposes this resolution. This resolution objects to revenue recommendations by the Department of Transportation and Public Facilities that will increase rental rates for land and other property interests at rural airports. The resolution also objects to recommendations that, in lieu of a fuel tax increase, landing fees be implemented at all certificated airports during the next fiscal year. Our goal is to provide stable funding for airport maintenance based on revenues from use of the aviation system. We oppose this resolution because it attempts to thwart several years of effort to move towards stable funding for the transportation system.

We also disagree with the broad application of the term subsidy. When we compare current income to the cost of operating each rural airport, we find a substantial shortfall between income and expenditure. The department has a responsibility to address this shortfall. Our long-term goal is to provide stable funding for the entire transportation system. We propose to derive this funding from rates, fees and taxes paid by system users. In addition, we believe the budget should provide revenue expenditure comparisons, and we believe a dedicated fund, such as called for by SJR 23, will provide us with the means to reach our goal. In the interim we will continue to pursue recommendations such as these that provide a basis for stable funding over the long-term.

The department recommends that the Legislature not adopt this resolution. These recommendations are made only after careful analysis of each alternative. Current rates and fees do not reflect the cost of doing business. For example, land use fees at rural airports have not changed since 1968. Our recommendations would increase these rates by only thirty percent of the cost-of-living increase over the same time period. They have been discussed

*For Further Information contact Katy McHugh at 465-3900.*

BILL NO: SCR 22

DATE: April 16, 1991

---

at repeated public hearings. Over time the state needs to expand its ability to provide stable funding for transportation. The changes opposed by this resolution represent one small step towards this goal.

# STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

P.O. BOX Z  
JUNEAU, ALASKA 99811-2500  
PHONE: (907) 465-3900

February 14, 1991

The Honorable Curt Menard  
Chairman  
Senate Transportation Committee  
P.O. Box V  
Juneau, Alaska 99811

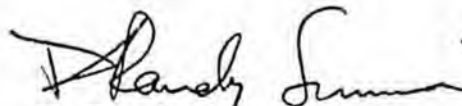
Dear Senator <sup>Curt</sup> Menard:

Attached for your information is a copy of the Department of Transportation and Public Facilities (DOT&PF) initial recommendation for rural airport rates and fees. Last fall DOT&PF conducted a series of public hearings on rates and fees proposals. The enclosed recommendations were developed from the hearing testimony by airport users.

DOT&PF's current rental rates for rural airports have not been adjusted since 1968 and, therefore, are considerably below market rent levels at most locations. Rural airport property is a valuable resource that should be generating a higher level of revenue to help cover rising operating costs. The adjusted rental rates, together with the aviation fuel tax increase described in the recommendations, will help offset general fund reductions in the airport maintenance budget for Fiscal Year '92. The rate change will allow DOT&PF to continue the operation and maintenance of rural airports at current levels. Without additional revenue, through a combination of rental rate increases and increased fuel tax or landing fees, major cutbacks in essential airport services will be unavoidable.

We will be discussing the recommendations with the Legislature in the near future. Since the fuel tax increase requires legislative action, we expect to be working closely with state law-makers during the 1991 session. After our initial meetings with the legislature, we will provide all airport users and other interested parties with complete details on the rent adjustment program and timing.

Sincerely,



D. Randy Simmons  
Deputy Commissioner  
Finance & Management

cc: Frank G. Turpin, Commissioner  
Henry Springer, Deputy Commissioner  
W. Keith Gerken, Deputy Commissioner, Operations  
Robert N. Bartholomew, Director, Administrative Services  
Steve Pavish, Statewide Leasing Coordinator

Department of Transportation & Public Facilities  
Rural Airport System

---

**REVENUE RECOMMENDATIONS**  
**Aviation Fuel Tax - Land and Property Rent**

**NEW RENTAL RATES**

The Department of Transportation and Public Facilities (DOT&PF) plans to implement new rental rates for land and other property interests at rural airports, starting by July 1, 1991. In September 1990, DOT&PF proposed new land rental rates based on Consumer Price Index changes since 1968 (when the existing rental rates were adopted). The rates were set to vary depending on the type of airport, with lower rent applying at smaller, less improved airports and higher rent applying to the larger, more sophisticated airfields. At the same time, DOT&PF also proposed new rental rates for airport boundary crossing rights, seaplane facilities, and DOT&PF-owned buildings.

Last fall DOT&PF conducted hearings to receive input from airport users on the new rate proposals. Based on the testimony results, DOT&PF plans to implement the rental rates for boundary crossing permits, seaplane facilities, and DOT&PF-owned buildings that were proposed in the August 30, 1990, Rural Airport Rates and Fees Report. DOT&PF will also implement new land rental rates based on the same calculation formulas that were presented in the Report, except that 30% of the post-1968 CPI change will be applied instead of 40%. The resulting land rental rates will range from approximately 3.3¢/sq. ft./yr. for aviation leases at the smallest airports to 10.7¢/sq. ft./yr. for non-aviation leases at the largest rural airports. This compares to the rates proposed last fall of 3.7¢ to 12¢/sq. ft./yr. and the current rates of 2¢ to 6¢/sq. ft./yr.

The new rental rates are expected to generate \$800,000 to \$900,000 in additional airport revenue in Fiscal Year 1992.

**AVIATION FUEL TAX INCREASE**

During the airport rates and fees hearings conducted by DOT&PF in 1988 and 1990, airport users frequently said that, if new fees were needed to operate airports, they would support an aviation fuel tax increase as an alternative to the proposed landing fee system. The advantages recited for a tax increase over landing fees included: increasing the rate of an existing tax would not increase overhead costs for the aircraft operator or the state, a modest tax increase would generate considerably more revenue than landing fees, and every aircraft operator would pay in direct proportion to the amount of flying he does.

As a result of the hearing testimony on this subject, DOT&PF and the Department of Revenue plan to present a proposal to the 1991 Legislature calling for a 2¢/gallon aviation fuel tax increase. The resulting tax rates will be 4.5¢/gallon for fuel and 6¢/gallon for aviation gasoline. It is estimated that the 2¢/gallon increase will generate an additional \$4 - \$5 million in new airport revenue in Fiscal Year 1992. If the legislature fails to adopt the increased aviation fuel tax, DOT&PF will institute landing fees at all certified airports in lieu of the tax increase.



(907) 543-2911

P.O. BOX 329 • BETHEL, ALASKA 99559

April 16, 1991

Representative Richard Foster  
Chair, Transportation Commission  
Alaska House  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Foster,

I am writing on behalf of the Bethel Chamber of Commerce concerning the considerations being given by the Department of Transportation and Public Facilities to implement a new landing fee at rural airports in the state.

The addition of this expense to transportation in rural areas will substantially increase costs making the profitable operation of a business even more difficult than it already is in this area of Alaska.

We support your Resolution No. 22 and would hope that the Department of Transportation would develop a plan which would include a review of other alternatives for fund raising.

Sincerely,

*Carolyn Walters*

Carolyn Walters, Secretary  
Bethel Chamber of Commerce



1000 511 011

DO NOT SEE SERVICE AT THIS OFFICE

April 10, 1961

Senator Curt Menard  
 Chair, Transportation Commission  
 Alaska Senate  
 P.O. Box V  
 Juneau, Alaska 99811

Dear Senator Menard,

I am writing on behalf of the Bethel Chamber of Commerce concerning the considerations being given by the Department of Transportation and Public Facilities to implement a new landing fee at rural airports in the state.

The addition of this expense to transportation in rural areas will result in making it more difficult for the profitable operation of a business even more difficult than it already is in this area of Alaska.

We support your Resolution No. 23 and would hope that the Department of Transportation would develop a plan which would include a review of other alternatives for fund raising.

Sincerely,

*Carolyn Walters*  
 Carolyn Walters, Secretary  
 Bethel Chamber of Commerce

# CANAL AIR



P. O. BOX 707

NEWTOWN, AK 99660-0707

Telephone: 907-543-4040

FAX: 907-543-2309

April 22, 1991

Senator Curt Hennard  
Chair, Transportation Comm.  
Alaska Senate

Representative Richard Foster  
Chair, Transportation Comm.  
Alaska House

Dear Sir:

The increasing of any rural airport fees will be borne by the majority of people who can NOT afford any increase of any costs.

Two very important points need to be made:

Unemployment in the villages is 50%. Cash income to most of the village residents is paid through funds managed by the State of Alaska. Any increase in the cost of living in the villages will come around to costing the State more money. I beg you to confirm this through a survey of the various human support and relief agencies as to the impact of a proposed increase.

You are asking rural public to bear a disproportionate share for a transportation system that also benefits the overall economy, including those in the metropolitan areas which engage in any type of support service. Without rural Alaska, there would be a much smaller metro area.

Various testimony will display an attitude that aircraft users, freight shippers, the U.S. Postal Service and passengers will be the ones to pay. My sentiments - "HOGWASH". Any increase in the cost of doing business will be passed on to the public. Any public official claiming otherwise is being the proverbial scorpion with his head not necessarily in the sand.

This company is owned by six native village corporations representing over 1000 native people. This is a statement of fact; no threats are intended.

In closing, I concur with Resolutions SCR 22 and HCR 26 calling for the development of a comprehensive statewide transportation plan before changing the rates and fees charged at state airports.

Sincerely,

John I. Watts III  
Executive Vice President - Operations

PUBLIC OPINION MESSAGE

DEAR: SENATOR MENARD

NAME: BOB ARCE  
TITLE: ILIAMNA VILLAGE COUNCIL ADMINISTRATOR  
ADDRESS: P.O. BOX 267  
CITY: ILIAMNA, AK ZIP: 99606  
PHONE: 571-1246

BILL NO:

SUBJECT: INCREASE OF RURAL AIRPORT RATES

MESSAGE: ILIAMNA VILLAGE COUNCIL IS DEEPLY CONCERNED ABOUT THE CURRENT PROPOSAL TO INCREASE AIRPORT RATES. THIS WOULD SUBSTANTIALLY INCREASE THE COST OF LIVING AND DOING BUSINESS HERE AND CAUSE SUBSTANTIAL HARDSHIP. HIGH UNEMPLOYMENT ALREADY EXISTS LOCALLY. EVERYTHING FROM GROCERIES TO FUEL COMES IN BY AIR. WE URGE RECONSIDERATION OF THIS BILL.

POMID: 06143823  
DATE: 91/04/15  
TIME: 14:38:23  
LIONAME: DILLINGHAM LIO

COPIES: REPRESENTATIVES SENATOR

JACKO ZHAROFF  
FOSTER

f.y.i.

# UNIVERSITY OF ALASKA FAIRBANKS



Department of Athletics & Campus Recreation • 105 Patty Center • Fairbanks, Alaska 99775-0240 • (907) 474-7205

April 16, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
Pouch V  
Juneau, Alaska 99811

Dear Senator Menard:

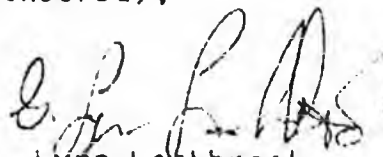
As the Director of Athletics at the University of Alaska, Fairbanks, I am very concerned about the proposed increase of rural airport rates. Obviously there are many implications to this increase. One avenue that has not been explored is the enormous financial pressure this would put on high school athletic departments and their travel budgets.

I am not an advocate on the issue of athletics dominating academics but there is a need for students living in rural areas to have the same athletic curricular opportunities as those students who reside in urban locales.

Recently we hosted the State High School Wrestling Tournament at our university. Over 50 schools throughout the state were represented by 350 talented athletes. It was an incredible weekend though many schools and communities exhausted their resources in order to attend.

If we are going to provide an equal opportunity for all young Alaskans to receive a well-rounded education, raising the price of transportation will significantly eclipse our efforts.

Sincerely,

  
G. Lynn Lashbrook  
Director of Athletics

GLL:mia

# APRN

## VOICES OF ALASKA

Alaska Public Radio Network ★ 4640 Old Seward Highway ★ Suite 202 ★ Anchorage, Alaska 99503  
Phone (907) 563-7733 ★ Fax (907) 563-7740

March 10, 1991

Senator Curt Menard  
Chair, Transportation Comm.  
Alaska Senate  
Pouch V  
Juneau, AK 99811

Dear Senator Menard:

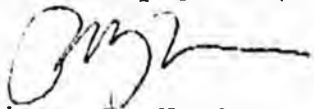
With regard to the proposed landing fees and rental increases at rural airports, I want to express my concern about potential operating increases to APRN member stations in rural Alaska.

As I'm sure you're aware, public radio has been severely affected by cutbacks in state and federal funding which began in 1986. The stations are trying hard to maintain a basic level of communication services in areas where there is often no other alternative local information source. The proposed fees have the potential to impact the cost of operating rural stations significantly through increased costs for shipping and passenger transportation.

The proposed fees would affect 15 of APRN's affiliate stations- KBRW, Barrow; KYUK, Bethel; KCHU, Cordova and Valdez; KDLG, Dillingham; KBBI, Homer; KMXT, Kodiak; KOTZ, Kotzebue; KNOM, Nome; KSKO, McGrath; KFSK, Petersburg; KSDP, Sand Point; KUH8, St. Paul; KNSA, Unalakleet; KIAL, Unalaska; and KSTK, Wrangell.

We urge you to reconsider adoption of these revenue-generating proposals in favor of other options which will not unfairly impact rural services such as public radio.

Sincerely yours,



Diane S. Kaplan  
President and CEO



RESOLUTION 50-03-07  
OF THE CITY COUNCIL  
FOR THE CITY OF ANIAK

A RESOLUTION IN OPPOSITION TO DOT/PF REVISION OF RATES FOR RURAL ALASKAN AIRPORT USEAGE:

WHEREAS: The City of Aniak has several property rental leases with the State of Alaska Department of Transportation and Public Facilities (DOT/PF) for land uses within the Aniak Airport property; and

WHEREAS: The State of Alaska DOT/PF is proposing to increase both landing and property rent user fees at twenty-seven Rural Alaskan Airports including Aniak; and

WHEREAS: The DOT/PF proposal will increase the City of Aniak's yearly budgetary operating costs with no corresponding additional benefits at a time when Alaskan Community budgets are contracting due to lessening city revenue streams;

THEREFORE: BE IT RESOLVED by the City Council for the City of Aniak publically opposes these proposed DOT/PF landing fee and property rental user rate increases and that a copy of this resolution will be forwarded to DOT/PF and other interested parties to be included in the official public hearing record.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Aniak on the 13 day of September 1990.

*William A. Young*  
Mayor

ATTEST:

*Elizabeth M. Murphy*  
City Clerk

12/27/92  
My Commission Expires

BETHEL L.I.O.

TELECOPIER TRANSMITTAL

Bethel L.I.O.  
P.O. Box 886  
Bethel, Alaska 99559

RAPICOM 200 - AUTOMATIC  
543-2712

DELIVER TO: Senate Trans Comm.

FROM: Bethel LIO

DATE: 4-16-91 TIME: 1:43 pm

OPERATOR: Wally

INSTRUCTIONS: per Mr. Andrechuk

TOTAL NUMBER OF PAGES 1 (NOT INCLUDING COVER)



# Alaska State Legislature

Please enter into the record my testimony to the SENATE TRANSPORTATION  
 committee name  
 committee on SCR22 , dated April 16, 1991  
 bill/subject

TO THE MEMBERS OF THE SENATE TRANSPORTATION COMMITTEE:

I AM UNABLE TO ATTEND YOUR TELECONFERENCE ON SCR22 TODAY DUE TO A CONFLICTING MEETING. PLEASE ACCEPT THIS AS MY WRITTEN TESTIMONY.

WE SUPPORT SCR22 AND OPPOSE ALL PROPOSED INCREASES IN RENTS AND LANDING FEES AT RURAL AIRPORTS. DOT HAS NO TRANSPORTATION PLAN TO JUSTIFY ANY REVENUE INCREASES. WE ASK GOVERNOR HICKEL TO DIRECT THAT SUCH A PLAN BE COMPLETED BEFORE ASKING FOR ANY ADDITIONAL REVENUE FROM THE RURAL AIRPORT SYSTEM.

THANK YOU.

CINDY ANDRECHEK  
 (RECEIVED OVER THE PHONE TO THE BETHEL L.I.O.)

Signed: \_\_\_\_\_

Testifier

Representing (Optional)

PO BOX 976, BETHEL, ALASKA 99559

Address

543-3280

Phone No.



April 16, 1991

FAXed to (907) 465-3756  
Original mailed

Senator Curt Menard, Chairman  
Transportation Committee  
Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

RE: SCR 22

Dear Senator <sup>Curt</sup> Menard:

I am writing to express the support of the City of Valdez for SCR 22, a resolution opposing establishing landing fees and increasing land use fees at rural Alaskan airports.

In Valdez, we work very closely with the State in operating our airport. A substantial increase in fees would increase the City's cost of operation in this key transportation area. Increased transportation costs in rural areas add another hurdle in developing our local economies. The City views the increased rates as counter-productive under the owner State concept of government assisting private and public economic development.

The City of Valdez leases office space to the Alaska Department of Transportation and Public Facilities in the City-owned airport terminal building for one dollar a year. This provision of a valuable facility at a nominal rate represents our recognition of the partnership we have with DOT/PF to provide dependable air service to Valdez. A partnership like this can adjust to reasonable fees and moderate increases. However, the fees and lease payment increases being proposed by the Hickel Administration are too much, too soon. If landing fees need to be imposed and land use fees increased to provide another source of revenue to the State, these charges should be imposed in a graduated manner to give rural communities time to budget and plan for these increased costs.

The City of Valdez believes that SCR 22 should be passed. The City will work with DOT/PF to assist it in efficiently providing service here in Valdez.

Thank you for your consideration.

Sincerely,

  
Doug Griffin  
City Manager

DG:blp

cc: Senator Jalmar Kerttula  
Mayor Lynn Chrystal

Representative Gene Kubina  
City Councilmembers

# Bering Air

Nome Airport  
Box 1650  
Nome, Alaska 99762  
(907) 443-5464

(907) 443-5422 Accounting  
443-5421 Maintenance  
443-5919 FAX Machine

Senator Curt Menard  
Chair, Transportation Committee  
Alaska State Senate  
Pouch V  
Juneau, AK 99811

April 11, 1991

Dear Senator Menard:

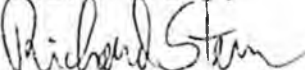
For the past several years, ADOTPF has considered various methods of increasing revenues to the state from the rural airport system. At statewide hearings, the public has overwhelmingly voiced their opposition to raising the costs for air transportation in rural Alaska. Every increase assessed on air carrier operations is eventually paid by the users of the air transport system....passengers, freight shippers, charter customers, and the U.S. Postal Service.

Two recently passed resolutions, SCR 22 and HCR 26, oppose establishing landing fees and increasing land lease fees at rural airports. An administration-sponsored bill to raise aviation fuel taxes by two cents per gallon has also been introduced. There is an immediate need to reassess the revenues necessary to fund the state transportation system. We urge you to direct DOTPF to complete a comprehensive statewide transportation plan prior to changing the existing rates. Until the revenue needs for statewide transportation are addressed, it is putting the proverbial cart before the horse to raise user fees.

The types and amounts of fees proposed for rural airports would significantly and adversely affect rural residents of the state. Rural Alaska does not have any other form of affordable transportation. Air transportation is the only practical means of getting around in rural Alaska.

In closing, we concur with Resolutions SCR 22 and HCR 26. We appreciate your interest in these issues and your support for the air transportation industry and the public interest.

Yours truly,

  
Richard Stern  
General Manager



## Cordova Electric Cooperative, Inc.

P.O. BOX 70 • CORDOVA, ALASKA 99574 • (907) 424-1555 • FAX (907) 424-1527

### RESOLUTION 91-7

A RESOLUTION OPPOSING THE STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES INCREASING PROPERTY AND FACILITY RENTAL RATES AT RURAL AIRPORTS.

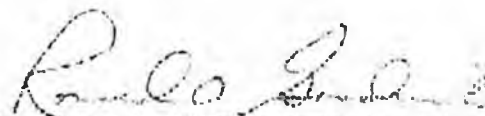
WHEREAS, The State of Alaska Legislature is considering implementing new landing fees, increased property and facility rental rates at rural airports in fiscal year 92 and,

WHEREAS, the increased rates would cost rural Alaskans more than \$1.0 million in the first year alone, making the cost of living and doing business in rural Alaska higher than it is now and,

WHEREAS, Cordova is among the rural cities listed that would be affected.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Cordova Electric Cooperative, Inc. opposes any increases proposed by the Department of Transportation and Public Facilities.

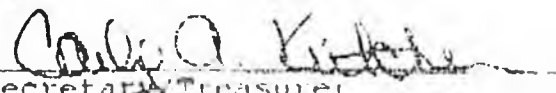
Adopted and approved this 22 day of April, 1991.



Ronald O. Goodrich, President  
Board of Directors



ST:



Cheryl A. Kistner  
Secretary/Treasurer



TELEPHONE  
(907) 246-4224  
FAX  
(907) 246-6633

# *Bristol Bay Borough*

BOX 189 • NAKNEK, ALASKA 99633

April 15, 1991

The Honorable Curt Menard  
Chairman, Transportation Committee  
Alaska Senate  
Pouch V  
Juneau, Alaska 99811

RE: RURAL AIRPORT FEES

Dear Senator Menard,

It has come to our attention that the administration is again considering implementing new landing fees and increased property and facility rental rates at rural airports in the next fiscal year.

Enclosed please find a copy of Resolution 90-11 of Bristol Bay Borough opposing any increase in rates at rural airports.

Sincerely,

Fred W. Pike  
Mayor

LANSTON CHINN  
BOROUGH MANAGER



TELEPHONE  
(907) 246-4224  
FAX  
(907) 246-6833

# Bristol Bay Borough

BOX 189 • NAKNEK, ALASKA 99633

## RESOLUTION NO. 90-11

A RESOLUTION CONCERNING A PROPOSED INCREASE IN RATES AT RURAL AIRPORTS.

WHEREAS, the State of Alaska, Department of Transportation and Public Facilities (D.O.T. & P.F.) has proposed updated landing fees and property rental rates; and,

WHEREAS, the new rates would go into effect as of November, 1990; and,

WHEREAS, the increase in fees would charge \$ .70 per 1,000 pounds for certain aircraft (those which seat more than 30 passengers); and,

WHEREAS, twenty seven of the busiest rural airports throughout the State, including King Salmon would be impacted; and,

WHEREAS, the proposed increases would create a severe financial hardship to many communities, and,

WHEREAS, the current rising fuel costs means higher freight and passenger tariffs, and,

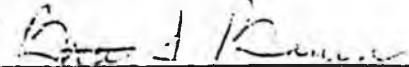
WHEREAS, the higher oil barrel price gives the State additional revenues for State airports.

NOW THEREFORE BE IT RESOLVED, that the Bristol Bay Borough is opposed to any further rate increases for rural airports.

FURTHERMORE BE IT RESOLVED, that copies of this Resolution be sent to: Statewide Leasing Coordinator, Department of Transportation and Public Facilities, Governor Steve Cowper and the Alaska Municipal League.

Passed and approved this 1st day of October, 1990.

ATTEST:



Borough Clerk

  
\_\_\_\_\_  
Mayor



4040 B Street • Anchorage, Alaska 99503 • (907) 562-1272

February 11, 1991

The Honorable Frank Turpin  
Alaska Department of Transportation &  
Public Facilities  
P.O. Box Z  
Juneau, Alaska 99811

Dear Commissioner Turpin,

The Alaska Air Carriers Association Board of Directors was quite dismayed to learn that in several presentations to the Legislature during the past week, you indicated an intent to implement lease rate increases at rural airports and to seek a \$.02/gallon aviation fuel tax increase. The combination of the two increases is to provide an additional \$5 million in rural airport receipts. At our meeting on January 10, we requested and you agreed that we would have an opportunity to meet with you regarding these proposals if you intended to implement or support them. Unfortunately, we were not afforded that opportunity.

First, let us reiterate our position that the amount of money you seek to raise in additional "user fees" is too high. Assuming an annual administration, maintenance and operation budget for rural airports of approximately \$13 million, these user fees would eliminate any operational "subsidy" to rural airports. While the Alaska Marine Highway System operates at a 50% subsidy and highways at a roughly similar level, rural airports should not be singled out in the FY92 budget for such a large increase in revenue receipts.

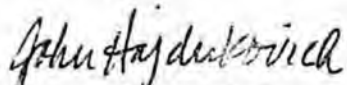
Second, while we have not seen anything in writing, we understand that you intend to increase rural airport lease rates by 30% the first year, and 10% in each successive year. We also understand that this may be done without additional public hearings. As communicated

previously, AACA believes that increased rural lease rates are not the best way to increase revenues as they tend to penalize carriers with capital investments at rural airports. A more appropriate "user fee" would be an airport facilities tax, similar to that being considered by AMHS to help pay for port terminal operations. A tax of perhaps \$1.00/passenger could be collected on each ticket segment sold for passengers to or from rural airports. The tax would appear as an additional line on each ticket and forwarded to State DOT/PF.<sup>1</sup> Airport users would know that this tax is intended to be used for rural airport operations, and would see it clearly identified as their cost of using rural airports. We also believe that you have the administrative authority to implement such a tax without legislation, if that is your intent.

With respect to the aviation fuel tax, AACA feels strongly that it is inappropriate to levy the tax while fuel prices are so high. Carriers are losing money and the State coffers are full because of the war related oil prices. We also object to the amount of the tax increase as indicated earlier on a philosophical basis. We feel it would be more appropriate to first establish a comprehensive transportation policy inclusive of air, land, and sea *before* dashing off to increase revenues targeting only one mode of transportation.

If key Hickel Administration objectives are to promote economic development and to cut the State budget in a way that does not eliminate direct services to Alaskans, we do not understand how your proposals to raise the cost of transportation or cut out service at rural airports are compatible.

Sincerely,

  
John Hajdukovich  
President, AACA

cc: Senator Curt Menard                      Representative Eileen Maclean  
      Senator Jay Kerttula                     Bruce Kendall, Legislative Liaison  
      Representative Richard Foster

---

<sup>1</sup> This proposal, which was once offered by DOT/PF, differs from landing fees in that the passenger pays directly for the service. AACA does not advocate increasing the cost of rural airfares, but if you are determined to increase costs administratively, this approach is more equitable.



**CITY OF KOTZEBUE**  
P.O. BOX 46 • KOTZEBUE, ALASKA 99752

April 19, 1991

City Hall  
442-3401  
Fax: 442-3742  
Police Dept.  
442-3351  
Fire Dept.  
442-3404  
Public Works Dept.  
442-3465  
Fax: 442-3470  
Planning Dept.  
442-3401  
Purchasing Dept.  
442-3465  
Building Inspector  
442-3465  
Recreation Center  
442-3066

Senator Curt Menard  
Chair, Transportation Commission  
Alaska Senate  
P. O. Box V  
Juneau, AK 99811

Re: Rural Airport Rates and Fees Proposed to Increase  
in FY92

Dear Senator Menard:

The City Council for the City of Kotzebue passed the attached Resolution 91-07 at its regularly scheduled Council Meeting on April 18, 1991.

This Resolution was passed to voice the opposition of the City of Kotzebue to the proposed increase of rural airport rates and fees in FY92. We would appreciate your continued support of our stand on this matter.

Sincerely,

Caleb Pungowiyi  
City Manager

hpb/4:042  
Attachment: Resolution 91-07

CITY OF KOTZEBUE

RESOLUTION 91-07

A RESOLUTION TO VOICE THE OPINION OF THE CITY OF KOTZEBUE ON THE PROPOSED INCREASE OF RURAL AIRPORT RATES AND FEES IN FY92.

WHEREAS: Frank Turpin, Commissioner of the Department of Transportation and Public Facilities, is considering implementing new landing fees and increase property and facility rental rates at rural airports in the next fiscal year; and

WHEREAS: It is estimated that the new and increased fees will cost rural Alaskans, which includes Kotzebue and the Northwest Arctic Borough, more than \$3.0 million in the first year alone; and

WHEREAS: The residents of Kotzebue and the Northwest Arctic Borough do not have alternative, subsidized forms of transportation; and


WHEREAS: The implementation of landing fees and the increase in property and facility rental rates at rural airports will also impact on all residents and businesses in rural Alaska, causing an increase in the cost of living and the cost of doing business.

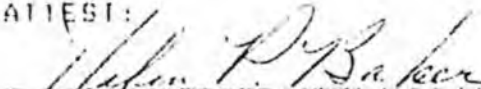
NOW THEREFORE BE IT RESOLVED, that the City of Kotzebue opposes the establishment of any landing fees or an increase in rates for land use at rural airports.

NOW THEREFORE BE IT FURTHER RESOLVED, that the Legislature oppose the establishment of any landing fees or any increase in rates for land use at rural airports until such time as a study is conducted to determine the impact of such actions.

Passed this 18th day of April, 1991

CITY OF KOTZEBUE:

  
Willie Goodwin, Jr.  
Mayor

ATTEST:  
  
Helen P. Baker, City Clerk



April 16, 1991

The Honorable Walter J. Hickel  
Governor, State of Alaska  
Pouch A  
Juneau, AK 99811-0101

Dear Governor Hickel:

As an Alaskan, I appreciate what you are doing to trim the cost of government in our state. I can understand the need for cuts with rising costs and declining revenues.

We Alaskans, as individuals, are experiencing the same situation. There is a constant rise in cost of living and lower revenues. The rural Alaskans have been particularly hard hit. It seems that most cutbacks effect rural Alaskans, and most cost increases are shouldered by those same rural Alaskans.

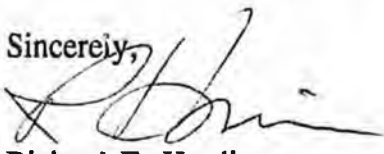
Recently several proposals have been considered to raise money to help maintain and improve state airports including landing fees, increased lease fees and additional gas taxes. Although these new costs are to be assessed on the air carriers, the burden is ultimately passed on to the passengers. The fees proposed would be a considerable financial encumbrance on rural Alaskans.

The new taxes and fees are supposed to be for airport maintenance and improvements but are destined for the general fund.

Before increasing rates and fees and adding taxes, I urge you to consider directing the DOTPF to develop a comprehensive statewide transportation plan. After developing a plan, determine the actual amount of revenue needed for each specific area. Then, take the necessary steps to accrue that revenue.

You, as the Governor of Alaska, have made some decisive moves and are doing an excellent job in regard to ANWR. I believe that you are also the person who can get a comprehensive statewide transportation plan started.

Sincerely,



Richard E. Harding  
Director of Operations



April 20, 1991

Senator Curt Menard  
P. O. Box V  
Juneau, Ak. 99811

Dear Sen Menard:

Regarding the efforts of DOT to impose increased costs and additional fees on users of the State Airport system.

I must concur with the Alaska Air Carriers support of the resolution calling for a comprehensive study of the various financing methods for ALL public travel, land, sea, and air.

The aviation system users might be able to go along with whatever costs are deemed necessary to promote better service, but the relative cost to benefit should be the same whether it is the airports, ferry system, or highways.

It is absolutely essential that any special funds raised from a user group be dedicated to pay for the costs of serving that group.

In other words, I am totally opposed to any program that would generate special use taxes and then put the money into the general fund.

Thank you for taking the time to read this letter.

Very Truly yours

A handwritten signature in dark ink, appearing to read "Orin D. Seybert". The signature is fluid and cursive, written over the typed name.

Orin D Seybert  
President

CC: Rep Foster  
AACA



April 20, 1991

Rep George Jacko  
Sen Fred Zharoff  
P. O. Box V  
Juneau, Ak. 99811

Dear George & Fred:

I am sending this letter to you as my personal legislators, because I know you will help me and direct it to the appropriate committees or otherwise advise me as to how I can help this matter.

This is a request to help the financial solicitation of the Alaska Aviation Heritage Museum, for State assistance for this public facility.

I strongly feel the Museum has reached a point where it can provide a good positive impact in two areas: the attraction and enjoyment of the Alaskan tourism industry; and the focal point to record and preserve both the early Alaskan air travel history, as well as the impact of WWII on Alaskan history and aircraft.

If you were to go to Lake Hood and see how much has been accomplished already with so little, it is very impressive. There is the nucleus of priceless and irreplaceable aircraft, pictures, and exhibits already very well arranged and starting to attract substantial interest from the public.

It is apparent to me that with relatively little financial aid from the State to fix up the buildings and funds to acquire and restore aircraft, the returns to the citizens of Alaska would be great, probably even paying off any debt through admission fees.

Even if it doesn't pay off financially, maybe with some funds in the form of grants, the intangible returns would still be enormous. How and where else are future generations of Americans going to learn about flying in an open-cockpit Bi-plane on skis? Or how the B-24's bombed Kiska and Attu, and even Japanese soil from Adak?

I would even be agreeable to push for an increase in the Aviation fuel flowage tax, with the funds directed to the Museum. I think the Aviation industry in the State would be happy to help in the preservation and recording of our origins.

Mr. Ted Spencer is almost single-handedly responsible for getting the Museum as far as it has come to date. For the last ten or fifteen years this has been a personal obsession of his. He has inspired the other volunteers, they have all given much in personal time, whatever funds that could be obtained, and just plain begging and borrowing.

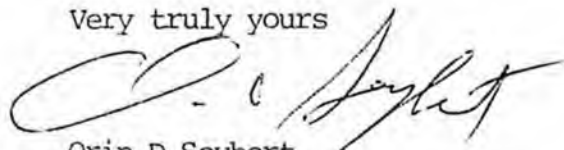
The point is, I am totally confident that whatever funds are obtained will be well used by Mr. Spencer, in a manner of maximum economy and value. He would not allow the Museum to become a bureaucratic waster of government funds.

So I would like to do whatever I can to aid in this effort. I would be happy to bring Mr. Spencer to Juneau to lobby or appear before a committee. Please advise as to what the best course of action might be..

I am also copying the Governor and chairmen of the Transportation Committees, although I am not sure that is the appropriate people.

Thank you very much for whatever help you may be able to give.

Very truly yours



Orin D Seybert  
President

CC: Governor Walter Hickel  
Sen. Menard  
Rep Foster  
Ted Spencer  
Jim Kubitz

NORTHWEST STRATEGIES

April 15, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
Pouch V  
Juneau, Alaska 99811  
FAX 465-3756

Dear Senator Menard:

Please include my voice to those opposing establishing landing fees and increasing land use fees at rural airports in a number of rural communities. I support SCR 22 and HCR 26.

Northwest Strategies has a number of rural clients, ranging from local governments to native corporations. We know first hand how expensive it is to do business in rural Alaska.

These increases will only add to the economic burden of living in rural Alaska. I urge you to pass SCR 22 and send a clear message to the administration that the legislator will not balance the transportation budget on the backs of rural Alaskans.

It has been less than six months since DOT/PI<sup>2</sup> held public hearings around the state on this issue. The testimony was overwhelming against the proposed increases. And, as well as I can determine, the facts have not changed at all, but Commissioner Turpin has once again decided to try to balance the budget in this way.

I respectfully request that all testimony from the 1990 Rural Airport Rates & Fees Project Public Hearing Report be admitted into the record at the Senate Transportation Committee hearing.

Sincerely,

  
Kevin K. Bruce



NORTHWEST STRATEGIES

Fax Transmission Form

510 'L' Street, Suite 210  
Anchorage, Alaska 99501

Telephone (907) 274-1007  
Telefax (907) 258-3527

To Telefax Number 465-3756

To: Senator Curt Menard  
Chair, Transportation Comm

From: Kevin Bruce  
AWS

Date: \_\_\_\_\_

Pages transmitted including this cover: 2

Sent by: Lcl

IF ANY PROBLEMS IN RECEIVING, CALL (907) 274-1007

Senator Curt Menard  
Chair Transportation Comm.  
Alaska Senate  
Pouch U  
Juneau, AK 99811

Dear Senator Menard,

I recently learned of HCR 26 + SCR 22 opposing establishing landing fees & increased land use fees at rural airports here in Alaska and wish to express my full support of this legislation.

Although I am new to the State, one of the areas that first caught my interest was that of rural Alaska. The isolation of the residents in the Bush & their ability to survive has impressed me greatly. Realizing that they must already be paying exorbitant prices for necessities, imposing further burdens seems totally irresponsible & unnecessary.

I hope that you will show strong support of these bills.

Sincerely,

Jina Moriso  
A Concerned Alaskan



# CHOGGIUNG LIMITED

VILLAGE CORPORATION

P.O. BOX 330

MAIN STREET

DILLINGHAM, ALASKA

99576

PHONE: (907) 842-5218

FAX: (907) 842-5462

April 4, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
P O Box V  
Juneau, Alaska 99811

Dear Senator Menard:

Choggiung Limited, the Dillingham Native Village Corporation, is concerned about the attempt to levy landing fees at the rural airports in the state. Air transportation is our principal tie with the state and the rest of the world. Costs of transportation to the bush of Alaska is already expensive and in some cases prohibitive. When you can fly to Seattle for less than it costs to fly to Dillingham from Anchorage, adding more costs to air transportation to the bush may be the straw that breaks the back of many consumers.

We urge you to support Senate Resolution 22 opposing a fee charge for landing fees in rural Alaska.

Sincerely,

William Tennyson  
President

cc: Senator Zharoff  
Representative Richard Foster  
Representative George Jacko



## YUKON FLATS SCHOOL DISTRICT

P.O. Box 359  
Fort Yukon, Alaska 99740  
Phone: (907) 662-2515

April 4, 1991

The Honorable Curt Menard  
House of Representatives  
P.O. Box V  
Juneau, Alaska 99811

ARCTIC VILLAGE  
99722

BEAVER  
99724

BIRCH CREEK VILLAGE  
99740

CENTRAL  
99730

CHALKYITSIK  
99708

CIRCLE  
99733

FORT YUKON  
99740

NORTHERN LIGHTS  
99701

RAMPART  
99787

STEVENS VILLAGE  
99774

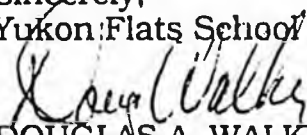
VENETIE  
99781

Dear Representative Menard:

As you know Rural Alaska already face excessive costs on food, transportation and fuel. To increase these expenses through Airport User Fees is unreasonable and unacceptable. Even though airports in our region are not currently affected, the foot in the door would ultimately lead to all airports.

Please consider other alternatives to this user fee proposal.

Thank you for your consideration.

Sincerely,  
Yukon Flats School District  
  
DOUGLAS A. WALKER  
SUPERINTENDENT OF SCHOOLS

cc: Georgianna Lincoln

CITY OF PORT HEIDEN  
P.O. Box 49050  
Port Heiden, Alaska 99549  
(907) 837-2209 (telephone)  
(907) 837-2248 (fax)

FAX COVER SHEET

DATE: April 15, 1991

FAX #: 465-3756

PHONE: 465-2679

THIS FAX DIRECTED TO: THE HONORABLE CUET MENARD

COMPANY: Chaire Transportation Comm

DEPARTMENT:

RE:

NUMBER OF PAGES (including cover sheet): 2

SPECIAL INSTRUCTIONS:

FAX SENT BY: Lynn Caelson, City of Port Heiden

PHONE: (907) 837-2209

FAX: (907) 837-2248

CITY OF PORT HEIDEN

Resolution 91-05

- Whereas, Transportation in rural Alaska is primarily provided through a network of small regional facilities that are used by air carriers to supply reliable, safe and regular transportation services, and;
- Whereas, transportation in other parts of Alaska is provided through a surface system of road, marine and rail transportation operated and maintained by the State of Alaska, and;
- Whereas, the Department of Transportation and Public Facilities held statewide public hearings that resulted in testimony overwhelming opposing establishment of any landing fees at rural airports, and;
- Whereas, an increase in the use fees for rural airports would significantly and adversely affect the residents of Alaska who do not have alternative, subsidized forms of transportation, and;
- Whereas, the Department of Transportation and Public facilities has not completed a state transportation plan which could serve as a framework for discussion of any revenue recommendations;

Therefore, be it resolved that:

The Alaska Legislature opposes establishment of any landing fees or an increase in rates for land use at rural airports in Alaska, and;

Further resolves that;

The Department of Transportation and Public Facilities should complete a state transportation plan and report back to the Eighteenth Alaska Legislature on alternative methods of raising revenue.

Passed and Approved by a duly constituted quorum on the City of Port Heiden this \_\_\_\_ day of April, 1991.

Signed: Henry Heston  
Mayor

Attest: Lynn Carlson  
Clerk

April 15, 1991

Senator Curt Menard  
Chair, Transportation Comm  
Alaska Senate  
Pouch V  
Juneau, AK 99811

Dear Senator Menard,

I am writing you in reference to the proposed increase of rural airport rates + fees. I am strongly opposed to new landing fees + increased land use fees at these airports. Being a lifetime Alaskan, born in Homer + raised in Kenai, I am aware of the importance of air travel in the rural communities.

There are many times when goods + supplies that are urgently needed cannot be found in the small communities, + the new landing fees would only discourage these communities from getting their supplies.

I feel this proposal will do nothing but hurt the economy of the rural areas + I fail to see who is going to benefit from this.

Sincerely, Irina Hallinen

**SENATE CONCURRENT RESOLUTION NO. 22**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**SEVENTEENTH LEGISLATURE - FIRST SESSION**

BY SENATORS RODEY, Fahrenkamp, Duncan, Zharoff, Eliason, Halford, Uehling, Pearce, Collins, Jones,  
Sturgulewski, Frank, Menard, Kerttula, Fischer, Hoffman, Shultz, Adams

Introduced: 3/27/91  
Referred: Transportation

**A RESOLUTION**

1 Relating to the state transportation system.

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

3 WHEREAS transportation in rural parts of the state is primarily provided through a network of  
4 small regional airport facilities that are used by air carriers to supply reliable, safe, and regular  
5 transportation services; and

6 WHEREAS transportation in other parts of the state is provided through a surface system of  
7 road, marine, and rail transportation operated and maintained by the state; and

8 WHEREAS the state Department of Transportation and Public Facilities is considering  
9 establishing landing fees and increasing land use fees at rural airports but, at department hearings on the  
10 subject, the testimony was overwhelmingly against these changes; and

11 WHEREAS increasing the types and amounts of fees at rural airports would significantly and  
12 adversely affect the residents of the state who do not have alternative, subsidized forms of transportation;  
13 and

14 WHEREAS the Department of Transportation and Public Facilities has not completed a state  
15 transportation plan that could serve as a framework for discussing revenue-raising recommendations that  
16 involve the state transportation system;

April 15, 1991

Sen. Curt Merzard, Chair  
Transportation Committee  
Alaska Senate

Dear Senator Merzard:

I am writing to express my strong support of HCR 26 & SCR 22, opposing new landing fees and increased land use fees at rural airports.

Through my years as reporter and editor, first at Alaska Industry Magazine, then ALASKA Magazine, I have traveled extensively in the Bush and written extensively about the rural areas. I know first hand how dependent these places are on their airports. Most recently, I was editor of the 1990 Alaska Wilderness Digest, and I was in contact with every Bush village in the state. Permeating every facet of rural life is their dependence, absolute dependence on these air transportation links with the rest of the world.

To jeopardize those links by imposing landing fees & increased land use fees is unconscionable. The economies in these villages are so fragile & the unemployment rates so high. These fees would be a terrible blow to the areas & economies least able to <sup>absorb</sup> it.

Please do what you can to kill these punitive fees.  
Thank you.

Virginia Postlemy, 1526 F St. Anchorage



## CITY OF SAINT PAUL

POUCH 1  
SAINT PAUL ISLAND ALASKA  
99860  
(907) 546-2331  
Telecopy (907) 546-2365

IN REPLY  
REFER TO

March 28, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
P.O. Box V  
Juneau, AK 99811

Dear Senator:

On behalf of the City of Saint Paul, I would like to officially express our disagreement with the intent to raise rural airport rates and fees. The economic impact to St. Paul would be substantial. We cannot afford increased rates on any of our transportation systems -- it is already expensive to live, work and do business on St. Paul. Living on an island, we have only two modes of transportation, and our air carriers are the major link with the rest of the world, both for people and freight.

We are currently experiencing economic hardships due to the delayed "start-up" of our port and fishery related industries. Increased airport rates would only further hamper our prospects.

I adamantly request that you postpone consideration of any increase in rates or establishment of any landing fees at rural airports until the State transportation plan has been examined and alternative methods of raising revenue can be examined.

Sincerely,

Ilarion P. Mercurieff  
City Manager



CITY OF SAINT PAUL

POUCH 1  
SAINT PAUL ISLAND, ALASKA  
99880  
(907) 546-2331  
Telecopy (907) 546-2395

IN REPLY  
REFER TO.

April 11, 1991

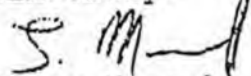
Senator Curt Menard  
Chair, Transportation Comm.  
Alaska Senate  
Pouch V  
Juneau, AK 99811

Dear Senator:

We are in full support of Senate Concurrent Resolution No. 22 which opposes rate increases at rural airports, of which the airport here at St. Paul Island would be affected.

Thank you for this opportunity to comment. Please keep us informed on this important issue.

Sincerely:

  
Larry Merculieff, City Manager



April 2, 1991

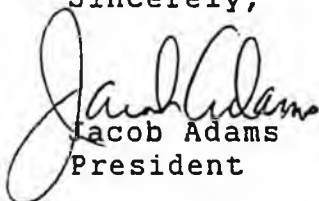
Senator Curt Menard  
Chair, Transportation Comm.  
Alaska Senate  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Menard:

The Arctic Slope Regional Corporation, headquartered in Barrow, strongly opposes the proposed increases of Rural Airport Rates and Fees. This proposed action will greatly increase the cost of living which is already beyond the reach of many rural residents.

Your attention and opposition to this ill-advised proposal would be greatly appreciated by those of us that rely on air transportation as a mean of supplementing our subsistence way of life, that is to bring in much needed medical and life support supplies.

Sincerely,



Jacob Adams  
President

cc: Senator Al Adams  
Representative Eileen MacLean  
Grant Thompson, Manager, Cape Smythe



April 3, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
PO Box 5  
Juneau, Alaska 99811

Re: Proposed Increase of Rural Airport Rates and Fees

Dear Senator Menard:

It is my understanding that the Hickel administration is considering increasing landing fees and rental rates at several of the rural airports in FY 1992.

The Aleut Corporation is opposed to such an increase as it will unfairly raise the cost of living to those rural Alaskans who already pay more for their goods and services.

Thank you for your consideration.

Yours truly,

Alice Petrivelli  
President  
The Aleut Corporation

# NANA REGIONAL CORPORATION, INC.

POST OFFICE BOX 49 / KOTZEBUE, ALASKA 99752 / TELEPHONE (907) 442-3301



April 2, 1991

Senator Curt Menard  
Chair, Transportation Comm.  
Alaska Senate  
P.O. Box V  
Juneau, AK 99811

Dear Senator Menard:

It is somewhat bewildering for the Commissioner of the Department of Transportation and Public Facilities, Frank Turpin, to consider implementing new landing fees and increase property and facility rental rates at rural airports in FY92; despite public testimony that overwhelmingly spoke against it during the statewide hearings last September. Originally proposed as a means of covering part of a \$6.0 million shortfall in the DOT/PF budget, the new and increased fees were the subject of considerable negative testimony and comment. Plans to implement them were shelved in late September at the request of the Legislative Budget and Audit Committee.

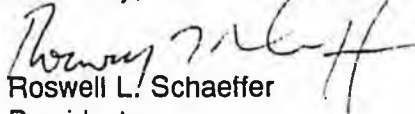
The transportation in the NANA Region is primarily provided through a network of small village airport facilities that are used by the carriers to supply reliable, safe, and regular transportation services; while transportation in other parts of the state is provided through a surface system of road, marine, and rail transportation operated and maintained by the state. The new and increased fees will cost rural Alaskans more than \$3.0 million in the first year alone and the proposed increases will apply only to rural airports, making the cost of living and doing business in rural Alaska even higher than it is now.

Because the transportation system in other parts of Alaska, including Alaska Railroad, surface highways, and marine highway, is subsidized in part by the State, the actual cost of transporting people and cargo is more equitable.

We are asking that before DOT/PF establishes landing fees and increasing land use fees at rural airports in the state; they complete a state transportation plan that could serve as a framework for discussing revenue-raising recommendations that involve the state transportation system. There are better means in which DOT/PF can get everyone involved with the process, rather than going against the testimony and hearings they had last fall.

Thank you and please do not hesitate to contact me if you need more information!

Sincerely,

  
Roswell L. Schaeffer  
President





**DILLINGHAM CITY SCHOOL DISTRICT**

P.O. BOX 170  
DILLINGHAM, ALASKA 99576

SENT VIA FAX

April 1, 1991

✓ Senator Curt Menard  
Alaska State Legislature  
P. O. Box V (MS 3100)  
Juneau, Alaska 99811

Representative Richard Foster  
Alaska State Legislature  
P. O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Senator Menard and Representative Foster:

This is to express our opposition to increasing rural airport rates and fees. The cost of doing business is already disproportionately high in Dillingham. This is due mainly because of our almost total reliance on air transportation. It seems grossly unfair to balance the DOT/PF's budget on the backs of Alaska's rural population.

We would greatly appreciate anything you can do not only to halt this thrust, but to implement new policies that could actually reduce the cost of living in our area.

Sincerely,

Don Renfroe  
Superintendent

DR:sg

2:1Apr.91

465-3756



FAX TRANSMITTAL SHEET

(907) 571-1444

TO: SEN. CORT MEDARD

LOCATION: TUNEAU, AK. 99811

FROM: TRIG OLSEN, ILLUMINA AK 99606

# OF PAGES 1 (INCLUDING TRANSMITTAL SHEET)

DATE: 4/8/91

MESSAGE: RE: ALASKA STATE LEGISLATURE RESOLUTION # 22.

WE SUPPORT RESOLUTION # 22 AND THE ALASKA STATE LEGISLATURE BY URGING THAT THE PROPOSED LANDING FEES AND ANY OTHER USER FEES FOR RURAL ALASKAN

REPLY: AIRPORTS BE DISMISSED.

DON KNIGHTON  
JOHN JOHNSON  
BERT FOSS  
TRIG OLSEN



# CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381  
FAX: (907) 874-3952

March 29, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
P.O. Box V  
Juneau, AK 99811

Re: Proposed Increase in Rural Airport Rates and Fees  
SCR 22

Dear Senator Menard:

It has been brought to our attention that the Department of Transportation and Public Facilities is again considering implementing new landing fees and increased property and facility rental rates at rural airports in FY 92. There were statewide hearings last September on proposed increases, and the issue was shelved at the request of the Legislative Budget and Audit committee due to the considerable negative testimony and comment.

We would again like to state our opposition to the proposed increase in airport fees because air transportation is such a vital element for our continued economic growth and stability. The economic base in rural Southeast Alaska is founded on the timber and fishing industries. Both are susceptible to outside influences of which we have virtually no control. With the advent of mining development near Wrangell in British Columbia, we are experiencing a major increase in International trade via the airways. This mining development has opened a door of opportunity for economic development that can create a diversified economic base that will enable the southeast region to become more self sufficient and less dependent upon other economic factors that seem to suspend us in a perpetual crisis status.

The City of Wrangell has great concern over the negative economic effect the fee structure would have upon Wrangell, and requests the State not impose the proposed increase in rural airport rates and fees.

Sincerely,

Donald J. House  
Mayor

DJH:fv

## AVCP

Association of Village Council Presidents  
P. O. Box 219 • Bethel, Alaska 99559 • Phone 543-3521

April 5, 1991

Senator Curt Menard  
Chairman, Transportation Committee  
P.O. Box V  
Juneau, AK 99811

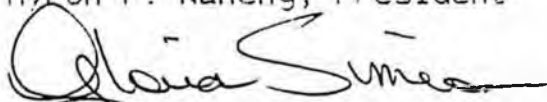
Dear Senator Menard:

The Association of Village Council Presidents is opposed to increases in landing fees and property and facility rental at rural airports. Our villages' financial resources are extremely limited. The cost of living in rural Alaska is increasing and the budget shortfall within State agencies must not fall on the residents of our already severely impacted rural villages.

We are in support of Senate Concurrent Resolution # 22, and urge it be passed.

Sincerely,

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS  
Myron P. Naneng, President



Gloria Simeon, Vice President

# Cape Smythe Air

Serving Arctic & Northwest Alaska  
Corporate Offices  
Post Office, Box 549  
Barrow, Alaska 99723  
Telephone (907) 852-8333

April 03, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska House  
P. O. Box V  
Juneau, Alaska 99811

Dear Senator Menard:

Cape Smythe Air would like to go on record as opposing any increases of rents and fees for airports in Rural Alaska.

I feel that one of the areas that should be more defined on the air transportation system in Alaska is which communities are "remote rural". Some areas have alternate ways of transportation while places like Barrow, Kotzebue, and Nome depend only on the air transportation. They are rural, but they are also remote.

Leave the areas that are remote alone, our costs are already too high, a majority of our people live a subsistence life style and cannot afford any higher rates. Thank you.

Sincerely,



Grant Thompson,  
General Manager/Vice President

cc: Senator Al Adams  
Representative Eileen MacLean

*On the Beautiful Banks of the  
Kuskokwim*

## CITY OF ANIAK

*"Golden Heart of the Kuskokwim"*

P. O. Box 43  
Aniak, Alaska 99557  
(907) 675-4481  
(Fax) 675-4486



April 4, 1991

Senator Curt Menard  
Chair Transportation Comm.  
Alaska Senate  
P.O. Box VV  
Juneau, Alaska 99811

Fax #907-465-3756

Dear Mr. Menard:

The City of Aniak is still opposed to DOT/PF rental and user fee increases for rural airports. Our Resolution #90-09-07 which is resubmitted for your information is still valid. We strongly support Senate Concurrent Resolution No. 22.

Sincerely,

Robert B. Gibson  
Deputy Mayor

RBG/lm

RESOLUTION 90-09-07  
OF THE CITY COUNCIL  
FOR THE CITY OF ANIAK

A RESOLUTION IN OPPOSITION TO DOT/PF REVISION OF RATES FOR RURAL ALASKAN AIRPORT USAGE;

WHEREAS: The City of Aniak has several property rental leases with the State of Alaska Department of Transportation and Public Facilities (DOT/PF) for land uses within the Aniak Airport property; and

WHEREAS: The State of Alaska DOT/PF is proposing to increase both landing and property rent user fees at twenty-seven Rural Alaskan Airports including Aniak; and

WHEREAS: The DOT/PF proposal will increase the City of Aniak's yearly budgetary operating costs with no corresponding additional benefits at a time when Alaskan Community budgets are contracting due to lessening city revenue streams;

THEREFORE: BE IT RESOLVED by the City Council for the City of Aniak publically oppose these proposed DOT/PF landing fee and property rental user rate increases and that a copy of this resolution will be forwarded to DOT/PF and other interested parties to be included in the official public hearing record.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Aniak on the 11 day of September, 1990.

*William A. Murphy*  
\_\_\_\_\_  
Mayor

ATTEST:

*Elizabeth M. Murphy*  
\_\_\_\_\_  
City Clerk  
12/27/92  
\_\_\_\_\_  
My Commission Expires

# *City of St. Mary's*

P.O. Box 163  
ST. MARY'S ALASKA 99658  
TELEPHONE (907) 438-2515

April 11, 1991

The Honorable Curt Menard, Chairman  
AK. Senate Transportation Committee  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Menard:

I was shocked and confounded to learn that DOT/PF has once again brought to the forefront the issue of increasing various fees and rates, and instituting landing fees at rural airports throughout the state.

Let me say again, as I have said now twice before to DOT/PF staff when the same issue was raised, that I stand in absolute opposition to implementation of these fees and rates. Instead of again reiterating my objections, let me request that the previous two compended summaries of public testimony be entered as part of the official record for this hearing process.

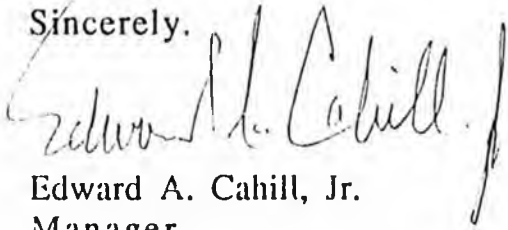
I have two additional comments:

- The same folks at DOT/PF who must be directed by HCR 26/SCR 22 to do their jobs and to study this issue before attempting end run after end run, are apparently unable to read the extensive and expensive input now gathered twice previously.
- Instead of raising \$6,000,000 in new fees to balance the DOT/PF shortfall, let me suggest that instead the same amount of money might be saved in the salaries of those in DOT/PF Planning who are unable to write and read.

The Honorable Curt Menard, Chairman  
AK. Senate Finance Committee  
April 11, 1991  
Page 2

I know the structure of DOT/PF and would welcome the chance to suggest areas of budget adjustment so that this agency could be better able to serve its constituents, while meeting current budget constraints.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edward A. Cahill, Jr.", written in dark ink.

Edward A. Cahill, Jr.  
Manager

# NORTH SLOPE BOROUGH

## OFFICE OF THE MAYOR

P.O. Box 69  
Barrow, Alaska 99723

Phone: 907-852-2611

Jeslie Kaleak, Sr., Mayor



April 5, 1991

Senator Curt Menard  
Chairman, Transportation Committee  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

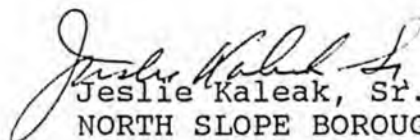
Dear Senator Menard:

This letter is to express the support of the North Slope Borough for Senate Concurrent Resolution No. 22 referred to your committee. This resolution opposes establishing landing fees and increasing land use fees at rural airports, and asks the administration to prepare a state transportation plan and report alternatives for raising revenues for the state transportation system.

We support this resolution because any increases in landing fees and land use fees would also lead to increases in airfares for rural residents. As you know, the primary means of transportation in rural Alaska is by air, and travel costs are already high. For example, it currently costs in excess of \$950.00 for a round-trip ticket between Barrow and Anchorage. We are supportive of any efforts to help reduce the already high costs of transportation in rural Alaska.

Thank you for your consideration.

Sincerely yours,

  
Jeslie Kaleak, Sr., Mayor  
NORTH SLOPE BOROUGH

cc: Senator Al Adams  
Representative Eileen MacLean  
Representative Richard Foster

MAILING OFFICE 9078522611 P.2/2

# NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 89  
Barrow, Alaska 99723

Phone: 907-852-2611

Jeslie Kaleak, Sr., Mayor



April 3, 1991

Senator Curt Menard  
Chairman, Transportation Committee  
Alaska State Senate  
P.O. Box V  
Junesau, AK 99811

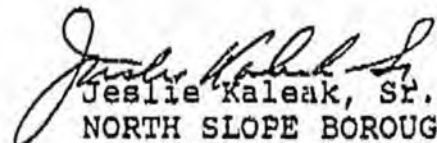
Dear Senator Menard:

This letter is to express the support of <sup>22</sup>the North Slope Borough for Senate Concurrent Resolution No. referred to your committee. This resolution opposes establishing landing fees and increasing land use fees at rural airports, and asks the administration to prepare a state transportation plan and report alternatives for raising revenues for the state transportation system.

We support this resolution because any increases in landing fees and land use fees would also lead to increases in airfares for rural residents. As you know, the primary means of transportation in rural Alaska is by air, and travel costs are already high. For example, it currently costs in excess of \$950.00 for a round-trip ticket between Barrow and Anchorage. We are supportive of any efforts to help reduce the already high costs of transportation in rural Alaska.

Thank you for your consideration.

Sincerely yours,

  
Jeslie Kaleak, Sr., Mayor  
NORTH SLOPE BOROUGH

cc: Senator Al Adams  
Representative Eileen MacLean  
Representative Richard Foster

NORTHWEST STRATEGIES

April 15, 1991

Senator Curt Menard  
Chair Transportation Committee  
Alaska Senate  
Pouch V  
Juneau, Alaska 99811  
FAX 465-3756

Dear Senator Menard:

Please include my voice to those opposing establishing landing fees and increasing land use fees at rural airports in a number of rural communities. I support SCR 22 and HCR 26.

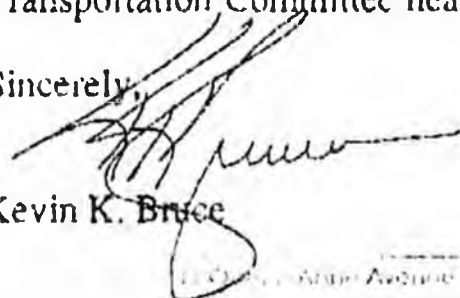
Northwest Strategies has a number of rural clients, ranging from local governments to native corporations. We know first hand how expensive it is to do business in rural Alaska.

These increases will only add to the economic burden of living in rural Alaska. I urge you to pass SCR 22 and send a clear message to the administration that the legislature will not balance the transportation budget on the backs of rural Alaska.

It has been less than six months since DOT/PF held public hearings around the state on this issue. The testimony was overwhelmingly against the proposed increases. And, as well as I can determine, the facts have not changed at all, but Commissioner Turpin has once again decided to try to balance the budget in this way.

I respectfully request that all testimony from the 1990 Rural Airport Rates & Fees Project Public Hearing Report be admitted into the record at the Senate Transportation Committee hearing.

Sincerely,



Kevin K. Bruce



Fax Transmission Form

510 'L' Street, Suite 210  
Anchorage, Alaska 99501

Telephone (907) 274-1007  
Telefax (907) 258-3527

To Telefax Number 465-3756

To: Senator Curt Menard  
Chair, Transportation Comm.

From: Kevin Bruce  
NWS

Date: \_\_\_\_\_

Pages transmitted including this cover: 2

Sent by: Zcl

IF ANY PROBLEMS IN RECEIVING, CALL (907) 274-1007

April 15, 1991

Senator Curt Menard  
Chair, Transportation Comm.  
Alaska Senate  
Pouch U...  
Juneau, AK 99811

Dear Senator Menard,

I recently learned of HCR 26 + SCR 22 opposing establishing landing fees & increased land use fees at rural airports here in Alaska and wish to express my full support of this legislation.

Although I am new to the State, one of the areas that first caught my interest was that of rural Alaska. The isolation of the residents in the Bush & their ability to survive has impressed me greatly. Realizing that they must already be paying absorbent prices for necessities, imposing further burdens seems totally unreasonable & unnecessary.

I hope that you will show strong support of these bills.

Sincerely,

Juoa Moriso  
A Concerned Alaskan



# CHOGGIUNG LIMITED

VILLAGE CORPORATION

P.O. BOX 330

MAIN STREET

DILLINGHAM, ALASKA

99576

PHONE: (907) 842-5218

FAX: (907)842-5462

April 4, 1991

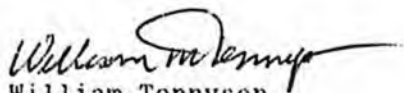
Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
P O Box V  
Juneau, Alaska 99811

Dear Senator Menard:

Choggiung Limited, the Dillingham Native Village Corporation, is concerned about the attempt to levy landing fees at the rural airports in the state. Air transportation is our principal tie with the state and the rest of the world. Costs of transportation to the bush of Alaska is already expensive and in some cases prohibitive. When you can fly to Seattle for less than it costs to fly to Dillingham from Anchorage, adding more costs to air transportation to the bush may be the straw that breaks the back of many consumers.

We urge you to support Senate Resolution 22 opposing a fee charge for landing fees in rural Alaska.

Sincerely,

  
William Tennyson  
President

cc: Senator Zharoff  
Representative Richard Foster  
Representative George Jacko

# YUKON FLATS SCHOOL DISTRICT

P.O. Box 359  
Fort Yukon, Alaska 99740  
Phone: (907) 662-2515



April 4, 1991

The Honorable Curt Menard  
House of Representatives  
P.O. Box V  
Juneau, Alaska 99811

ARCTIC VILLAGE  
99722

BEAVER  
99724

BIRCH CREEK VILLAGE  
99740

CENTRAL  
99730

CHALKYITSIK  
99788

CIRCLE  
99733

FORT YUKON  
99740

NORTHERN LIGHTS  
99701

RAMPART  
99767

STEVENS VILLAGE  
99774

VENETIE  
99781

Dear Representative Menard:

As you know Rural Alaska already face excessive costs on food, transportation and fuel. To increase these expenses through Airport User Fees is unreasonable and unacceptable. Even though airports in our region are not currently affected, the foot in the door would ultimately lead to all airports.

Please consider other alternatives to this user fee proposal.

Thank you for your consideration.

Sincerely,  
Yukon Flats School District

  
DOUGLAS A. WALKER  
SUPERINTENDENT OF SCHOOLS

cc: Georgianna Lincoln

CITY OF PORT HEIDEN  
P.O. Box 49050  
Port Heiden, Alaska 99549  
(907) 837-2209 (telephone)  
(907) 837-2240 (fax)

FAX COVER SHEET

DATE: April 15, 1991

FAX #: 465-3756

PHONE: 465-2679

THIS FAX DIRECTED TO: The Honorable Cuet Menard

COMPANY: Chere Transportation Comm

DEPARTMENT:

RE:

NUMBER OF PAGES (including cover sheet): 2

SPECIAL INSTRUCTIONS:

FAX SENT BY: Lynn Caelson, City of Port Heiden

PHONE: (907) 837-2209

FAX: (907) 837-2240

## CITY OF PORT HEIDEN

## Resolution 91-05

- Whereas, Transportation in rural Alaska is primarily provided through a network of small regional facilities that are used by air carriers to supply reliable, safe and regular transportation services, and;
- Whereas, transportation in other parts of Alaska is provided through a surface system of road, marine and rail transportation operated and maintained by the State of Alaska, and;
- Whereas, the Department of Transportation and Public Facilities held statewide public hearings that resulted in testimony overwhelming opposing establishment of any landing fees at rural airports, and;
- Whereas, an increase in the use fees for rural airports would significantly and adversely affect the residents of Alaska who do not have alternative, subsidized forms of transportation, and;
- Whereas, the Department of Transportation and Public facilities has not completed a state transportation plan which could serve as a framework for discussion of any revenue recommendations;

Therefore, be it resolved that:

The Alaska Legislature opposes establishment of any landing fees or an increase in rates for land use at rural airports in Alaska, and;

Further resolves that;

The Department of Transportation and Public Facilities should complete a state transportation plan and report back to the Eighteenth Alaska Legislature on alternative methods of raising revenue.

Passed and Approved by a duly constituted quorum on the City of Port Heiden this \_\_\_\_ day of April, 1991.

Signed: Glenn Metzger  
Mayor

Attest: Lynn Carlson  
Clerk

April 15, 1991

Senator Curt Menard  
Chair, Transportation Comm.  
Alaska Senate  
Pouch V  
Juneau, AK 99811

Dear Senator Menard,

I am writing you in reference to the proposed increase of rural airport rates + fees. I am strongly opposed to new landing fees + increased land use fees at these airports. Being a lifetime Alaskan, born in Homer + raised in Kenai, I am aware of the importance of air travel in the rural communities.

There are many times when goods + supplies that are urgently needed cannot be found in the small communities, + the new landing fees would only discourage these communities from getting their supplies.

I feel this proposal will do nothing but hurt the economy of the rural areas + I fail to see who is going to benefit from this.  
Thank you.

Sincerely, Trina Hallinen

April 15, 1991

Sen. Curt Merriam, Chair  
Transportation Committee  
Alaska Senate

Dear Senator Merriam:

I am writing to express my strong support of HCR 26 & SCR 22, opposing new landing fees and increased land use fees at rural airports.

Through my years as reporter and editor, first at Alaska Industry Magazine, then Alaska Magazine, I have traveled extensively in the Bush and written extensively about the rural areas. I know first hand how dependent these places are on their airports. Most recently, I was editor of the 1990 Alaska Wilderness Pilgrimage, and I was in contact with every Bush village in the state. Permeating every facet of rural life is their dependence, absolute dependence on their air transportation links with the rest of the world.

To jeopardize those links by imposing landing fees & increased land use fees is unconscionable. The economies in these villages are so fragile & the unemployment rates so high. These fees would be a terrible blow to the areas & economies least able to <sup>absorb</sup> it.

Please do what you can to kill these punitive fees.  
Thank you.

Virginia Postlemy, 1526 F St. Anchorage



## CITY OF SAINT PAUL

POUCH 1  
SAINT PAUL ISLAND ALASKA  
99660  
(907) 546-2221  
Telecopy (907) 546-2365

IN REPLY  
REFER TO

March 28, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
P.O. Box V  
Juneau, AK 99811

Dear Senator:

On behalf of the City of Saint Paul, I would like to officially express our disagreement with the intent to raise rural airport rates and fees. The economic impact to St. Paul would be substantial. We cannot afford increased rates on any of our transportation systems -- it is already expensive to live, work and do business on St. Paul. Living on an island, we have only two modes of transportation, and our air carriers are the major link with the rest of the world, both for people and freight.

We are currently experiencing economic hardships due to the delayed "start-up" of our port and fishery related industries. Increased airport rates would only further hamper our prospects.

I adamantly request that you postpone consideration of any increase in rates or establishment of any landing fees at rural airports until the State transportation plan has been examined and alternative methods of raising revenue can be examined.

Sincerely,

Ilarion P. Mercurieff  
City Manager



CITY OF SAINT PAUL

POUCH 1  
SAINT PAUL ISLAND, ALASKA  
99880  
(907) 546-2331  
Telecopy (907) 546-2385

IN REPLY  
REFER TO.

April 11, 1991

Senator Curt Menard  
Chair, Transportation Comm.  
Alaska Senate  
Pouch V  
Juneau, AK 99811

Dear Senator:

We are in full support of Senate Concurrent Resolution No. 22 which opposes rate increases at rural airports, of which the airport here at St. Paul Island would be affected.

Thank you for this opportunity to comment. Please keep us informed on this important issue.

Sincerely:

  
Larry Mercurieff, City Manager



April 2, 1991

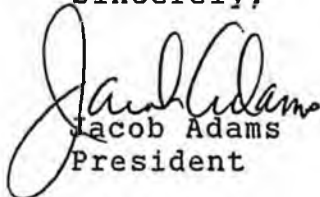
Senator Curt Menard  
Chair, Transportation Comm.  
Alaska Senate  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Menard:

The Arctic Slope Regional Corporation, headquartered in Barrow, strongly opposes the proposed increases of Rural Airport Rates and Fees. This proposed action will greatly increase the cost of living which is already beyond the reach of many rural residents.

Your attention and opposition to this ill-advised proposal would be greatly appreciated by those of us that rely on air transportation as a mean of supplementing our subsistence way of life, that is to bring in much needed medical and life support supplies.

Sincerely,



Jacob Adams  
President

cc: Senator Al Adams  
Representative Eileen MacLean  
Grant Thompson, Manager, Cape Smythe



April 3, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
PO Box V  
Juneau, Alaska 99811

Re: Proposed Increase of Rural Airport Rates and Fees

Dear Senator Menard:

It is my understanding that the Hickel administration is considering increasing landing fees and rental rates at several of the rural airports in FY 1992.

The Aleut Corporation is opposed to such an increase as it will unfairly raise the cost of living to those rural Alaskans who already pay more for their goods and services.

Thank you for your consideration.

Yours truly,

Alice Petrivelli  
President  
The Aleut Corporation

# NANA REGIONAL CORPORATION, INC.

POST OFFICE BOX 49 / KOTZEBUE, ALASKA 99752 / TELEPHONE (907) 442-3301



April 2, 1991

Senator Curt Menard  
Chair, Transportation Comm.  
Alaska Senate  
P.O. Box V  
Juneau, AK 99811

Dear Senator Menard:

It is somewhat bewildering for the Commissioner of the Department of Transportation and Public Facilities, Frank Turpin, to consider implementing new landing fees and increase property and facility rental rates at rural airports in FY92; despite public testimony that overwhelmingly spoke against it during the statewide hearings last September. Originally proposed as a means of covering part of a \$6.0 million shortfall in the DOT/PF budget, the new and increased fees were the subject of considerable negative testimony and comment. Plans to implement them were shelved in late September at the request of the Legislative Budget and Audit Committee.

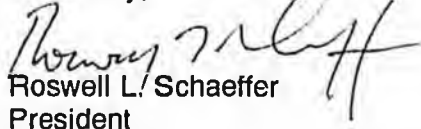
The transportation in the NANA Region is primarily provided through a network of small village airport facilities that are used by the carriers to supply reliable, safe, and regular transportation services; while transportation in other parts of the state is provided through a surface system of road, marine, and rail transportation **operated and maintained** by the state. The new and increased fees will cost rural Alaskans more than \$3.0 million in the first year alone and the proposed increases will apply only to rural airports, making the cost of living and doing business in rural Alaska even higher than it is now.

Because the transportation system in other parts of Alaska, including Alaska Railroad, surface highways, and marine highway, is subsidized in part by the State, the actual cost of transporting people and cargo is more equitable.

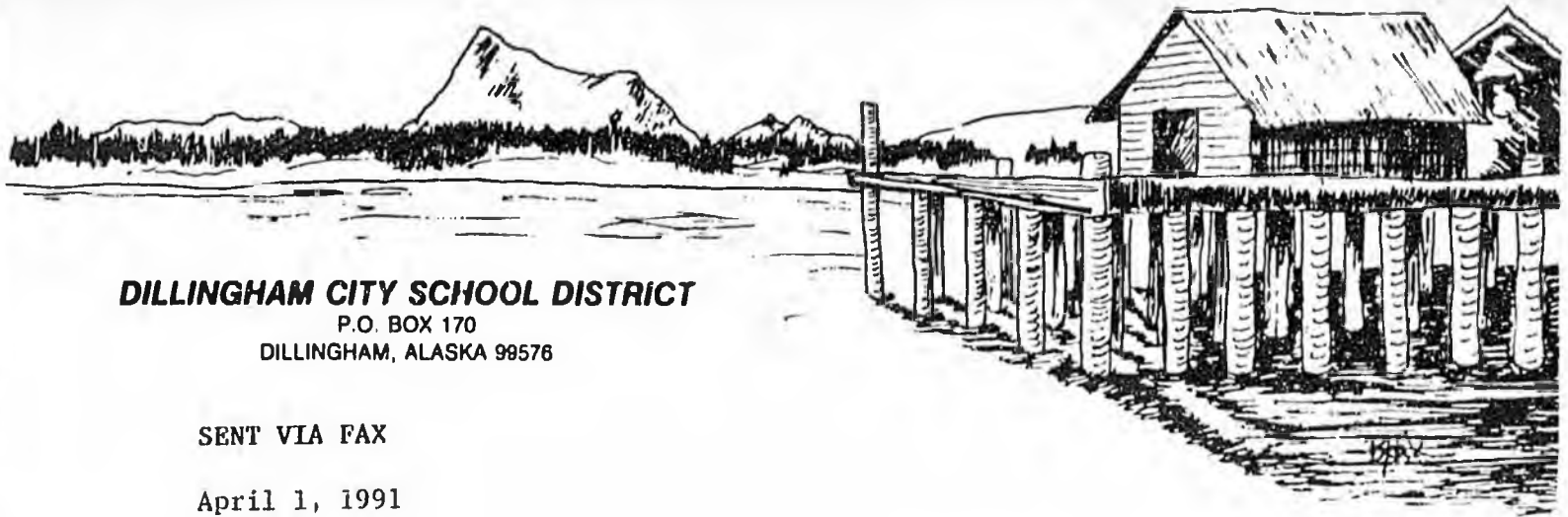
We are asking that before DOT/PF establishes landing fees and increasing land use fees at rural airports in the state; they complete a state transportation plan that could serve as a framework for discussing revenue-raising recommendations that involve the state transportation system. There are better means in which DOT/PF can get everyone involved with the process, rather than going against the testimony and hearings they had last fall.

Thank you and please do not hesitate to contact me if you need more information!

Sincerely,

  
Roswell L. Schaeffer  
President





**DILLINGHAM CITY SCHOOL DISTRICT**

P.O. BOX 170  
DILLINGHAM, ALASKA 99576

SENT VIA FAX

April 1, 1991

✓ Senator Curt Menard  
Alaska State Legislature  
P. O. Box V (MS 3100)  
Juneau, Alaska 99811

Representative Richard Foster  
Alaska State Legislature  
P. O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Senator Menard and Representative Foster:

This is to express our opposition to increasing rural airport rates and fees. The cost of doing business is already disproportionately high in Dillingham. This is due mainly because of our almost total reliance on air transportation. It seems grossly unfair to balance the DOT/PF's budget on the backs of Alaska's rural population.

We would greatly appreciate anything you can do not only to halt this thrust, but to implement new policies that could actually reduce the cost of living in our area.

Sincerely,

Don Renfro  
Superintendent

DR:sg

C:1Apr.dt

465-3756



FAX TRANSMITTAL SHEET

(907) 571-1444

TO: SEN. CORT MEDARD

LOCATION: JUNEAU, AK. 99811

FROM: Trig Olsen, Lumina, AK 99606

# OF PAGES 1 (INCLUDING TRANSMITTAL SHEET)

DATE: 4/8/91

RE: RE: ALASKA STATE LEGISLATORS IN JAIL # 22

WE SUPPORT RESOLUTION # 22 AND THE ALASKA STATE LEGISLATORS BY URGING THAT THE PROPOSED LANDING FEES AND ANY OTHER USER FEES FOR RURAL ALASKAN AIRPORTS BE DISMISSED.

DON KNIGHTON

JOHN JOHNSON

BERT FOSS

Trig Olsen



# CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 631, 99929 (907) 874-2381  
FAX: (907) 874-3962

March 29, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska Senate  
P.O. Box V  
Juneau, AK 99811

Re: Proposed Increase in Rural Airport Rates and Fees  
SCR 22

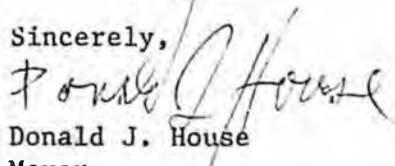
Dear Senator Menard:

It has been brought to our attention that the Department of Transportation and Public Facilities is again considering implementing new landing fees and increased property and facility rental rates at rural airports in FY 92. There were statewide hearings last September on proposed increases, and the issue was shelved at the request of the Legislative Budget and Audit committee due to the considerable negative testimony and comment.

We would again like to state our opposition to the proposed increase in airport fees because air transportation is such a vital element for our continued economic growth and stability. The economic base in rural Southeast Alaska is founded on the timber and fishing industries. Both are susceptible to outside influences of which we have virtually no control. With the advent of mining development near Wrangell in British Columbia, we are experiencing a major increase in International trade via the airways. This mining development has opened a door of opportunity for economic development that can create a diversified economic base that will enable the southeast region to become more self sufficient and less dependent upon other economic factors that seem to suspend us in a perpetual crisis status.

The City of Wrangell has great concern over the negative economic effect the fee structure would have upon Wrangell, and requests the State not impose the proposed increase in rural airport rates and fees.

Sincerely,

  
Donald J. House  
Mayor

DJH:fv

# AVCP

Association of Village Council Presidents  
P. O. Box 219 • Bethel, Alaska 99559 • Phone 543-3521

April 5, 1991

Senator Curt Menard  
Chairman, Transportation Committee  
P.O. Box V  
Juneau, AK 99811

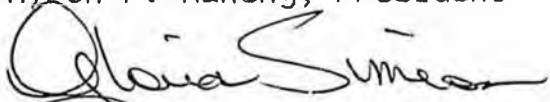
Dear Senator Menard:

The Association of Village Council Presidents is opposed to increases in landing fees and property and facility rental at rural airports. Our villages' financial resources are extremely limited. The cost of living in rural Alaska is increasing and the budget shortfall within State agencies must not fall on the residents of our already severely impacted rural villages.

We are in support of Senate Concurrent Resolution # 22, and urge it be passed.

Sincerely,

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS  
Myron P. Naneng, President



Gloria Simeon, Vice President

# Cape Smythe Air

Serving Arctic & Northwest Alaska  
Corporate Offices  
Post Office Box 549  
Barrow, Alaska 99723  
Telephone (907) 852-8333

April 03, 1991

Senator Curt Menard  
Chair, Transportation Committee  
Alaska House  
P. O. Box V  
Juneau, Alaska 99811

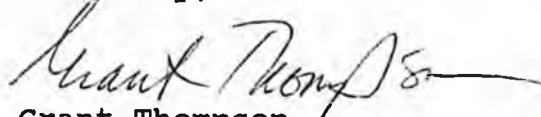
Dear Senator Menard:

Cape Smythe Air would like to go on record as opposing any increases of rents and fees for airports in Rural Alaska.

I feel that one of the areas that should be more defined on the air transportation system in Alaska is which communities are "remote rural". Some areas have alternate ways of transportation while places like Barrow, Kotzebue, and Nome depend only on the air transportation. They are rural, but they are also remote.

Leave the areas that are remote alone, our costs are already too high, a majority of our people live a subsistence life style and cannot afford any higher rates. Thank you.

Sincerely,



Grant Thompson,  
General Manager/Vice President

cc: Senator Al Adams  
Representative Eileen MacLean



*On the Beautiful Banks of the  
Kuskokwim*

## CITY OF ANIAK

*"Golden Heart of the Kuskokwim"*

P. O. Box 43  
Aniak, Alaska 99557  
(907) 675-4481  
(Fax) 675-4486



April 4, 1991

Senator Curt Menard  
Chair Transportation Comm.  
Alaska Senate  
P.O. Box VV  
Juneau, Alaska 99811

Fax #907-465-3756

Dear Mr. Menard:

The City of Aniak is still opposed to DOT/PF rental and user fee increases for rural airports. Our Resolution #90-09-07 which is resubmitted for your information is still valid. We strongly support Senate Concurrent Resolution No. 22.

Sincerely,

Robert B. Gibson  
Deputy Mayor

RBG/lm

RESOLUTION 90-03-07  
OF THE CITY COUNCIL  
FOR THE CITY OF ANIAK

A RESOLUTION IN OPPOSITION TO DOT/PF REVISION OF RATES FOR RURAL ALASKAN AIRPORT USAGE;

WHEREAS: The City of Aniak has several property rental leases with the State of Alaska Department of Transportation and Public Facilities (DOT/PF) for land uses within the Aniak Airport property; and

WHEREAS: The State of Alaska DOT/PF is proposing to increase both landing and property rent user fees at twenty-seven Rural Alaskan Airports including Aniak; and

WHEREAS: The DOT/PF proposal will increase the City of Aniak's yearly budgetary operating costs with no corresponding additional benefits at a time when Alaskan Community budgets are contracting due to lessening city revenue streams;

THEREFORE: BE IT RESOLVED by the City Council for the City of Aniak publically oppose these proposed DOT/PF landing fee and property rental user rate increases and that a copy of this resolution will be forwarded to DOT/PF and other interested parties to be included in the official public hearing record.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Aniak on the 13 day of September, 1990.

William A. Murphy  
Mayor

ATTEST:

Elizabeth M. Murphy  
City Clerk  
12/27/92  
My Commission Expires

# *City of St. Mary's*

P.O. Box 163  
ST. MARY'S ALASKA 99658  
TELEPHONE (907) 438-2515

April 11, 1991

The Honorable Curt Menard, Chairman  
AK. Senate Transportation Committee  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Menard:

I was shocked and confounded to learn that DOT/PF has once again brought to the forefront the issue of increasing various fees and rates, and instituting landing fees at rural airports throughout the state.

Let me say again, as I have said now twice before to DOT/PF staff when the same issue was raised, that I stand in absolute opposition to implementation of these fees and rates. Instead of again reiterating my objections, let me request that the previous two compended summaries of public testimony be entered as part of the official record for this hearing process.

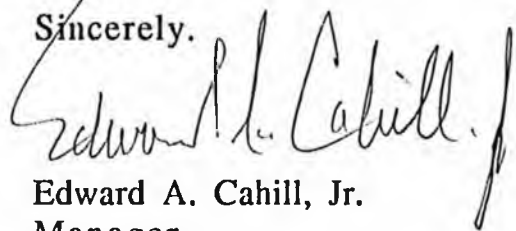
I have two additional comments:

- The same folks at DOT/PF who must be directed by HCR 26/SCR 22 to do their jobs and to study this issue before attempting end run after end run, are apparently unable to read the extensive and expensive input now gathered twice previously.
- Instead of raising \$6,000,000 in new fees to balance the DOT/PF shortfall, let me suggest that instead the same amount of money might be saved in the salaries of those in DOT/PF Planning who are unable to write and read.

The Honorable Curt Menard, Chairman  
AK. Senate Finance Committee  
April 11, 1991  
Page 2

I know the structure of DOT/PF and would welcome the chance to suggest areas of budget adjustment so that this agency could be better able to serve its constituents, while meeting current budget constraints.

Sincerely,

A handwritten signature in cursive script that reads "Edward A. Cahill, Jr." with a long, sweeping flourish extending downwards and to the right.

Edward A. Cahill, Jr.  
Manager

# NORTH SLOPE BOROUGH

## OFFICE OF THE MAYOR

P.O. Box 69  
Barrow, Alaska 99723

Phone: 907-852-2611

Jeslie Kaleak, Sr., Mayor



April 3, 1991

Senator Curt Menard  
Chairman, Transportation Committee  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

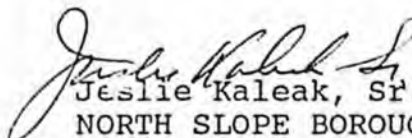
Dear Senator Menard:

This letter is to express the support of the North Slope Borough for Senate Concurrent Resolution No. 22 referred to your committee. This resolution opposes establishing landing fees and increasing land use fees at rural airports, and asks the administration to prepare a state transportation plan and report alternatives for raising revenues for the state transportation system.

We support this resolution because any increases in landing fees and land use fees would also lead to increases in airfares for rural residents. As you know, the primary means of transportation in rural Alaska is by air, and travel costs are already high. For example, it currently costs in excess of \$950.00 for a round-trip ticket between Barrow and Anchorage. We are supportive of any efforts to help reduce the already high costs of transportation in rural Alaska.

Thank you for your consideration.

Sincerely yours,

  
Jeslie Kaleak, Sr., Mayor  
NORTH SLOPE BOROUGH

cc: Senator Al Adams  
Representative Eileen MacLean  
Representative Richard Foster

# NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 69  
Barrow, Alaska 98723

Phone: 907-852-2611

Jeslie Kaleak, Sr., Mayor



April 3, 1991

Senator Curt Menard  
Chairman, Transportation Committee  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

Dear Senator Menard:

This letter is to express the support of <sup>(22)</sup> the North Slope Borough for Senate Concurrent Resolution No. referred to your committee. This resolution opposes establishing landing fees and increasing land use fees at rural airports, and asks the administration to prepare a state transportation plan and report alternatives for raising revenues for the state transportation system.

We support this resolution because any increases in landing fees and land use fees would also lead to increases in airfares for rural residents. As you know, the primary means of transportation in rural Alaska is by air, and travel costs are already high. For example, it currently costs in excess of \$950.00 for a round-trip ticket between Barrow and Anchorage. We are supportive of any efforts to help reduce the already high costs of transportation in rural Alaska.

Thank you for your consideration.

Sincerely yours,

*Jeslie Kaleak, Sr.*  
Jeslie Kaleak, Sr., Mayor  
NORTH SLOPE BOROUGH

cc: Senator Al Adams  
Representative Eileen MacLean  
Representative Richard Foster