

HJR

37

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HJR 37
 (H) Publish Date: 2/13/02

Revision Date/Time (Note if correction): _____ Dept. Affected: All Departments
 Title: Alaska Airlines 70th Anniversary BRU: _____
 Component: _____
 Sponsor: Rep. Kott
 Requester: House Rules Committee Component No.: _____

Expenditures/Revenues (Thousands of Dollars)
 Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This resolution is not expected to have any fiscal impact.

Prepared by: Kristopher Knauss Phone 465-3777
 Division: _____ Date/Time 2/13/02 8:56 AM
 Approved by: Pete Kott, House Rules Committee Date 2/13/02
 Agency: Chairman

Alaska State Legislature

House of Representatives

RULES COMMITTEE, CHAIR
COMMITTEE ON COMMITTEES
LABOR & COMMERCE COMMITTEE
MILITARY & VETERANS AFFAIRS
LEGISLATIVE COUNCIL



INTERIM:
10928 EAGLE RIVER RD., SUITE 141
EAGLE RIVER, AK 99577

SESSION:
ALASKA STATE CAPITOL
JUNEAU, AK 99801

Senator John Cowdery, Chair
Transportation Committee
Capitol Building, Beltz Room #211
Juneau, AK 99801

February 21, 2002

Dear Senator Cowdery,

Please accept this letter as an official request for a hearing on HJR 37 commemorating Alaska Airlines on their 70 important years of service to our State.

Attached is a copy of HJR 37, my Sponsor Statement, a fiscal note, and backup information.

Whatever you can do to schedule this promptly, would be greatly appreciated. Thank you very much.

Respectfully,

A handwritten signature in black ink, appearing to read "Pete Kott".

Representative Pete Kott



Representative Pete Kott

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FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HJR 37
 () Publish Date: 2/8/2002

Revision Date/Time (Note if correction): _____ Dept. Affected: All Departments
 Title Alaska Airlines 70th Anniversary BRU _____
 Component _____
 Sponsor Rep. Kott
 Requester House Rules Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

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Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This resolution is not expected to have any fiscal impact.

Prepared by: Kristopher Knauss Phone 465-3777
 Division _____ Date/Time 2/8/02 11:38 AM
 Approved by: Pete Kott, House Rules Committee Date 2/8/2002
 Agency Chairman

Alaska State Legislature

House of Representatives

RULES COMMITTEE, CHAIR
COMMITTEE ON COMMITTEES
LABOR & COMMERCE COMMITTEE
MILITARY & VETERANS AFFAIRS
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Sponsor Statement for HJR 37

This House Joint Resolution celebrates 70 years of service to the State of Alaska by Alaska Airlines. It offers congratulations on this significant landmark in the airline's corporate history and provides a special thank you for the important role Alaska Airlines plays in "The Great Land."

From its humble beginning as McGee Airways in 1932 with a single-engine, three-passenger Stinson with one destination, Alaska Airlines has grown into a viable and well-regarded regional airlines with a fleet of jet planes and a 19-page schedule to over 80 airports. Alaska Airlines' history footnotes the history of the 49th State capturing the pioneering spirit synonymous with the "Land of the Midnight Sun."

Alaska Airlines is often the sole provider of commercial service between the State's far-flung communities. It connects the people in remote villages and small towns of the "Last Frontier" with Alaska's larger cities and those cities across America and six international destinations. Alaska Airlines serves a critical role – hauling in food and other necessities, and hauling out the fish and other products that are the foundation of our State's economy. Alaska Airlines is a large part of our tourism industry – and many times provides the first hospitality received by visitors to our State.

Alaska Airlines continues to distinguish itself with outstanding services, and it leads with improving technologies and equipment. For example, it was the first airline in the world to integrate the Global Positioning System with the latest in Enhanced Ground Proximity Warning System technology thereby triangulating the plane's position in three dimensions for improved navigation. The skill of its pilots is unequalled, as recently evidenced when the Olympic flame was transported on Alaska Airlines at the request of Delta's president. Alaska Airlines was also the first airline to book travel and sell tickets via the Internet. Alaska Airlines often leads the way.

The Alaska State Legislature congratulates Alaska Airlines.



Representative Pete Kott

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HISTORY

Alaska Airlines traces its roots to McGee Airways, which inaugurated service between Anchorage and Bristol Bay, Alaska, in 1932 with a single-engine, three-passenger plane.

Over the years, mergers and acquisitions produced changes in the name of the airline and saw business expand throughout Alaska and the Lower 48. The Alaska Airlines name was adopted in 1944. Alaska's sister carrier, Horizon Air, was founded in September 1981 in Seattle to serve communities on routes vacated by larger airlines after the Airline Deregulation Act of 1978. Through growth and acquisitions, Horizon Air expanded its route system from Washington throughout the Pacific Northwest and Canada.

In 1985, Alaska Air Group was formed as a holding company for Alaska Airlines. A year later, the holding company acquired Horizon Air Industries (which continues to operate as a separate company) and Jet America Airlines of Long Beach, Calif., which merged into Alaska Airlines on Oct. 1, 1987.

MILESTONES

Through the years, Alaska Airlines and Horizon Air have been leaders in the aviation industry:

- 2001 Alaska and Horizon are the first airlines in North American to allow customers to check in via a web enabled phone or a wireless handheld device.
- 2001 As the launch customer, Alaska takes delivery of the world's first Boeing 737-900.
- 1999 Alaska and Horizon are the first airlines in the world to allow customers to check in and print their own boarding passes via the Internet.
- 1999 The FAA authorizes Horizon Air as the first U.S. air carrier to take off and land when certain local ground-based navigational aids are inoperable.
- 1999 Horizon Air makes the first Q200 Dash 8 approach using Global Positioning System (GPS) technology at the Bellingham, Wa. airport.
- 1997 Alaska Airlines celebrates its 65th anniversary.
- 1996 Alaska flies the first commercial passenger flight using Global Positioning System navigation technology.
- 1995 Alaska and Horizon are the first U.S. airlines to book travel and sell tickets via the Internet.
- 1995 Horizon Air is the first turboprop operator in the world to use the "fog-busting" Head-Up Guidance System (HGS®) and be certified for CAT III landings.
- 1995 Horizon Air Dash 8 First Officer Yoshiko Okamura is the first female Japanese national commercial airline pilot.
- 1991 Alaska Airlines is the first U.S. airline to offer regularly scheduled service to Russia from the West Coast.
- 1990 Alaska Airlines is the first U.S. carrier to take off in less

than 600 feet of runway visibility with a passenger-carrying jetliner (B727), which was made possible with a revolutionary Head-Up Guidance System.

- 1989 Alaska Airlines is the first airline in the world to manually land a passenger-carrying jet (B727) in FAA Category III weather (dense fog) made possible with the Head-Up Guidance System.
- 1983 Alaska Airlines begins to trade on the New York Stock Exchange after 40 years on the American Stock Exchange.
- 1981 Horizon Air inaugurates air service with two aircraft and 36 employees, and offers flights from Seattle to Yakima and Pasco, Wash.
- 1967 Alaska is the first airline to obtain FAA certification to land B727s on gravel runways.
- 1965 Alaska is the first airline to fly the Lockheed Hercules for oil field development in Alaska.
- 1960 Alaska begins the "commuter run" from Philadelphia to Fairbanks for the RCA Corporation during construction of the Ballistic Missile Early Warning System.
- 1951 Alaska is the first airline to fly over the North Pole (DC-4).
- 1949 Alaska is the first airline to equip the DC-3 with skis.
- 1948 Alaska flies the Berlin airlift (DC-4s).

RECOGNITION

Through the years, Alaska Airlines and Horizon Air have been recognized for providing outstanding service to its customers (**bold** indicates top rank overall; *italic* indicates best among the 10 major U.S. airlines):

Alaska Airlines

- 2001 **Travel + Leisure** magazine ("Best Domestic Airline"); *Zagat* (a survey); Forrester PowerRankings (survey of e-commerce Web sites)
- 2000 *Condé Nast Traveler* magazine; *Travel + Leisure* magazine
- 1999 **Travel + Leisure** magazine ("Best Domestic Airline"); *Condé Nast Traveler* magazine
- 1998 *Condé Nast Traveler* magazine; *Travel + Leisure* magazine
- 1997 *Condé Nast Traveler* magazine; *Travel + Leisure* magazine; *Zagat* (a survey); *Money* magazine (second overall)
- 1996 **Travel + Leisure** magazine; *Entrepreneur* magazine (main-cabin service category); *Condé Nast Traveler* magazine
- 1995 *Condé Nast Traveler* magazine; *Consumer Reports* magazine; *Zagat* (a survey)
- 1994 *Condé Nast Traveler* magazine
- 1993 *Condé Nast Traveler* magazine; International Association of Air Travel Couriers
- 1992 *Condé Nast Traveler* magazine; J.D. Power and Associates (short-haul category); *Zagat* (a survey)

- 1991 Condé Nast Traveler magazine; Consumer Reports magazine; Business Week magazine (recognized in special issue on quality)
- 1990 Condé Nast Traveler magazine; Air Transport World magazine
- 1989 Condé Nast Traveler magazine
- 1988 USA Today (survey of business travelers)

Horizon Air

- 2000 Condé Nast Traveler magazine
- 1999 Condé Nast Traveler magazine
- 1998 Condé Nast Traveler magazine
- 1997 Condé Nast Traveler magazine
- 1994 Seattle Distinguished Marketing Award

TECHNOLOGY

Alaska Airlines and Horizon Air are innovators in the application of new technology, which have resulted in improved safety and improved cost management and productivity.

GPS/EGPWS

In 1996, Alaska Airlines became the first airline in the world to integrate the Global Positioning System (GPS) with the latest in Enhanced Ground Proximity Warning System (EGPWS) technology.

GPS employs a network of 24 orbiting satellites to triangulate a plane's position in three dimensions. EGPWS takes that information and compares it to an onboard computer database of contour maps from around the world to continuously update pilots on their location relative to any nearby land mass, specifically mountains.

Together, these two technologies allow for improved navigation that approaches pinpoint accuracy. They also have the capability to enhance safety and increase schedule reliability.

GPS/EGPWS is operational on Alaska's entire fleet of Boeing 737-400s and -700s, and Horizon's fleet of Q200/Q400 Dash 8s.

Head-Up Guidance System (HGS®)

In late 1989, Alaska became the first airline to use Head-Up Guidance System (HGS) during a passenger-carrying flight to reduce disruptions in scheduled service caused by fog. In 1995, Horizon became the first turboprop operator to use the HGS.

The central component of the system is the head-up display, that superimposes a holographic image of the approaching runway on a transparent screen positioned between the pilot and the cockpit windshield. Flight data from the instrument panel is also displayed on the screen.

The Internet

In 1996, Alaska and Horizon became the first U.S. airlines to book travel and sell tickets via the Internet. In 1999, they became

the first U.S. airlines to check in passengers and issue boarding passes via the Internet. In 2001, they introduced wireless check-in.

Alaska's home page can be found at www.alaskaair.com, while Horizon's Internet address is www.horizonair.com.

Instant Travel™

Alaska and Horizon offer ticketless travel with Instant Travel. This electronic ticketing system provides customers the benefit and convenience of not having to obtain or keep track of a paper ticket.

Instant Travel Machines (ITM) offer an automated check-in procedure to further speed Alaska and Horizon customers through the airport.

Available in most cities, ITMs allow travelers to check in electronically, receive a boarding pass and head to the plane. Alaska has self baggage check for customers checking in at an ITM in Anchorage and Portland and plans to expand the service to other cities.

Or, before leaving for the airport, customers may check-in and print a boarding pass at their home or office via Web check-in. Alaska has also introduced wireless check-in using a Web-enabled phone or a wireless handheld device.

MARKET PRESENCE

Alaska Airlines is the 10th largest U.S. airline, based on 2000 passenger traffic. During that year, Alaska enplaned 13.5 million passengers. Its average passenger trip length was 882 miles.

Although Alaska is relatively small compared to the other major carriers (Alaska carries less than two percent of all U.S. passenger traffic), it is the dominant carrier in the region it serves.

In each of the last 29 years, the airline has carried more people between Alaska and the Lower 48 than any other airline.

Today, Alaska is also the dominant carrier between the Pacific Northwest and California.

	<u>Departure share</u>
West Coast to Alaska	73%
Pacific Northwest to No. California	45%
Pacific Northwest to So. California	78%
Pacific Northwest to Nevada	50%
Pacific Northwest to Arizona	39%

Horizon Air is the nation's eighth largest regional carrier based on 2000 passenger traffic and the dominant regional airline in the Pacific Northwest. In 2000, Horizon enplaned 5 million passengers. Its average trip length was 283 miles.

Together, Alaska and Horizon serve 75 cities:

	<u>Alaska</u>	<u>Horizon</u>	<u>Total</u>
U.S. cities	38	35	65*
Int'l. cities	6	5	10*
TOTAL cities	44	40	75*

* Alaska and Horizon jointly serve six U.S. destinations (Portland, Sacramento, Los Angeles, San Jose, Seattle and Spokane) and one international destination (Vancouver, B.C.).



Reno, Nevada - The Biggest Little City

[Alaska News Room](#) [Horizon News Room](#) [Jobs at Alaska](#) [Jobs at Horizon](#) [Alaska Commitment Plan](#)
[Horizon Commitment Plan](#) [About Alaska Air Group](#) [Investor Info](#) [Contract of Carriage](#) [More...](#)

Historical Overview of Alaska Airlines

For nearly 70 years, Alaska Airlines and its people have been guided through thick and thin by a shared commitment to integrity, caring, resourcefulness, professionalism and spirit. Especially spirit - an Alaskan spirit, born in the land the airline is named after - a place where "can-do" and "neighbor-helping-neighbor" are facts of life.



The result? A long list of aviation milestones, as well as countless stories of people going out of their way to help others - both in the course of business and in the support of organizations that makes our communities better places to live.

In the process, Alaska has grown from a small regional airline to one of the most respected in the nation. Carrying more than 12 million customers per year, Alaska's route system spans more than 40 cities and three countries. The Alaska Airlines fleet of 96 Boeing jets is the youngest among all major airlines. And its reputation for outstanding service consistently earns best U.S. airline recognition from the likes of *Travel + Leisure* and *Condé Nast Traveler* magazines.

Storied Roots



The foundation of this success was laid in 1932, when Mac McGee started flying his three-seat Stinson between Anchorage and Bristol Bay, Alaska. Finances were tight, but perseverance ruled the day - Mac and his team often worked round-the-clock, even though the next paycheck might be weeks away.

A merger with Star Air Service in 1934 created the largest airline in Alaska. After several more mergers, the name was changed a couple of times - until they found one that stuck: Alaska Airlines.

By the late 1940s, using surplus military aircraft, Alaska had branched into worldwide charter work, including the Berlin Airlift in 1948 and Operation Magic Carpet, the airlift of thousands of Yemenite Jews, to Israel in 1949.



In the late 1960s, Alaska strengthened its operating base by merging with Alaska Coastal-Ellis and Cordova airlines, legendary Southeast Alaska carriers owned by aviation pioneers Shell Simmons, Bob Ellis and Mudhole Smith. Alaska's world now stretched from Fairbanks south to Ketchikan and down to Seattle. And in some of the coldest days of the Cold War, Alaska made headlines with regular charters to the Soviet Union.

A New Era

When Fairbanks businessmen Ron Cosgrave and Bruce Kennedy came on board in 1972, the airline was in a financial fight for its life. They went to work setting goals and bringing people together. They won back the trust of creditors and improved on-time performance. One break that went their way was the construction of the trans-Alaska Pipeline; carrying supplies, equipment and workers gave Alaska a shot in the arm.

Bottom line, customer service became key in this new era. And it put the airline on course for what would be a nearly unprecedented record in the industry: 19 straight years of profitability.

In 1979, the airline industry was deregulated. For many carriers, this was the end of the road. For Alaska, it was a new beginning. The airline expanded methodically throughout the West Coast and in 1987 joined forces with two carriers similarly committed to outstanding customer service - Horizon Air and Jet America.



By the end of the 80s, Alaska had tripled in size. Its fleet had increased five-fold. And the route map included scheduled service to Mexico and Russia.

Continuing The Legacy

Things haven't changed that much over the years. Alaska is still differentiating itself: offering more flights than any competitor in almost every market it serves; providing a superior level of customer service, and pioneering technologies that improve on-time performance and expand safety margins. And the awards just keep on coming.



Every time the history of commercial aviation is written, people ask how an obscure little airline in America's hinterland has continued to survive and thrive while once-proud giants disappeared. Grit and determination will be part of the answer.

But more than that, it's the people. Their caring. Their resourcefulness. Their integrity. Their professionalism. And their spirit - the unique spirit of The Great Land where the airline was born.

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www.alaskaair.com OR www.horizonair.com

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

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Phone: 907-852-2611
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February 12, 2002

Representative Pete Kott
Alaska State Legislature
Juneau, AK 99801

Representative Kott:

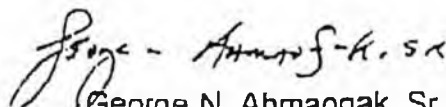
I would like to join you in congratulating Alaska Airlines on its 70th anniversary of service to the state.

As you know, air transportation is crucial to the economic and social fabric of Alaska. It is particularly crucial in the rural areas where there are no alternatives. Air carriers encounter unusually challenging weather-related hazards, as well as financial hardships, in providing service throughout Alaska. It takes a dedicated and resilient company to deliver this service day after day.

Everyone likes to complain about the airlines, especially when there is only one company serving a community. However, we have had experience with other airlines operating our main routes in the past, and few of us were sorry to see them disappear. Alaska Airlines provides a consistent level of service at competitive rates, and has established itself as a good corporate citizen.

On behalf of the people of the North Slope, I offer my congratulations to Alaska Airlines for a job well done.

Sincerely,


George N. Ahmaogak, Sr.
Mayor