

SB

304

SFIN

FILE

REPORTED OUT
 MAR 17 2006
 SENATE FINANCE COMMITTEE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/10/06

FURTHER:

DATE TURNED
 IN TO OFFICE: 3/17/06

Finance Committee considered

SENATE BILL NO. 304

SB 304 AIRPORT PARKING SHUTTLES/AIRPORT CHARGES

"An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

CS Senate Bill:
 Same Title
 New Title

SCS House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Ind.	Zero	FN#
Dot	2/27/06			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 304
(S) Publish Date: 3/10/06

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title: Airport Parking Shuttles/Charges RDU: Aviation
Component: International Airport System Office
Sponsor: Senate Transportation Committee
Requester: _____ Component No.: 1649

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
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						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

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 (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill will not have a fiscal impact on the operations of the Department; however, its likely effect will be to shift a cost burden of between \$150,000 and \$200,000 from the off-site businesses to the signatory airlines that use the facilities of the International Airport System at Anchorage and Fairbanks. This is because, under the residual agreement between the airlines and the Department, the operations of the airports are revenue-neutral. Signatory airlines are obligated to pay the cost of operating the airports. Some of those costs are off-set by other airport users, such as car rental agencies and gift shops, which obtain their leases at a fair market value. If some of those sources of funds are eliminated, then the cost will be shifted to higher landing fees and terminal rental rates, and downstream to the ticket purchaser. The bill would undermine changes the Legislature enacted last year to AS 02.15.090(h) and (1) to provide the financing mechanism (customer facility charge) for the Anchorage airport rental car facility, currently under construction. The 8 percent Airport Parking Service fee is currently under administrative appeal.

Prepared by: John Manly
Division: Commissioner's Office DOT&PF
Approved by: Mike Barton, commissioner
Agency: DOT&PF

Phone: 465-8994
Date/Time: 2/28/06 at 11 am
Date: 2/28/06

ALASKA STATE LEGISLATURE

SENATE TRANSPORTATION COMMITTEE

Committee Members

Senator Huggins, Chairman
Senator Cowdery, Vice-Chair
Senator Therriault
Senator Kookesh
Senator French



State Capitol, Room 417
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265

Sponsor Statement

Senate Bill 304

"An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

Under Alaska law, commercial vehicles that deliver people to the airport fall into one of six general categories: limos, tour buses, standard bus service, off airport shuttles, off airport car rental shuttles and courtesy vehicles. Depending upon the vehicle's classification, a fee is charged for what is essentially use of the airport's curb and roadway. The authority for the setting of these specific rates can be found in AS 02.15.090 which requires the fees charged to be "reasonable and uniform for the same class of privileges and services... and [to be established] with due regard to the property and improvements used and the expense of operation by the state."

At present, the rates charged by the Department of Transportation for these different vehicles to utilize the airport curb at the Anchorage International Airport varies from \$50.00 per year for a courtesy vehicle, taxi, or limo, to \$100 per year for a tour passenger vehicle, up to a maximum of \$1000.00 per year for a regularly scheduled bus.

In early 2005, the Department of Transportation proposed regulations, which would charge "off-airport valet parking services" a tax equal to 8% of their gross revenues. This change would constitute a drastic shift from the statutory language, which requires that the fees charged be "reasonable and uniform for the same class of privileges and services." While other courtesy services such as free hotel shuttles are charged a \$50 per vehicle fee, the proposal would charge free parking shuttles 8% of gross sales or \$250 annual minimum (whichever is greater). The two services are essentially the same class because both are "a free courtesy"; both offer an airport patron an off-site service and both require the same amount of accommodations on part of the Airport.

The purpose of SB304 is to clarify the law with regard to the charging of off-airport businesses who simply drop patrons at the curb or pick them up upon return and reflects the sentiment that the Department should set rates, which are based on use and not as a percentage of gross revenues. SB304 simply and specifically directs the Department that charges for usage must be consistent with other services that receive similar privileges and accommodations, may not be on a gross revenue basis and shall not have the effect of singling out one type of accommodations because it may currently or in the future compete with the airport.

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Anchorage Daily News

Print Page

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Parking problem

Anchorage airport fee proposal takes aim at low-cost competition

(Published: March 16, 2006)

If you're looking to save money on parking during your next flight out of town, be forewarned. A proposed change in shuttle van access charges at Anchorage International Airport could push up off-site parking rates.

The airport lost \$1 million of parking business when a cheaper private parking lot opened down the road. The state Department of Transportation has responded by trying to jack up the rates private parking services have to pay for permission to shuttle passengers in and out of state-owned airport terminals.

If a business tried to pull a trick like that against a competitor, it would get a visit from the anti-trust police.

Airport officials say they aren't trying to pad their own agency's budget, they're just trying to save money for airlines. If parking and other concession revenues fall short of paying the airport's operating expenses and bonds, airlines have to make up the difference with higher landing fees. The airport is just the middleman that collects whatever money is needed.

Middleman the airport may be, but it's a middleman with monopoly power that can be abused. It controls access to a lucrative business environment. It can pick winners and losers by the rules it sets.

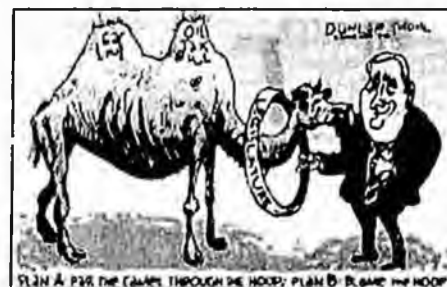
If the airport's going to play this kind of anti-competitive game, it could get really creative. It could take aim at all kinds of people who shop off-airport to avoid the high prices charged in the airport's captive market.

Hey buddy, you got a sandwich in your bag there? You're cutting into Burger King's revenues inside the terminal. It'll cost you an extra buck when you check in for your flight.

Ma'am, is that a book in your carry-on bag? Sorry, you'll have to pay the airport's new "Reading Material Importation Fee." It's only fair. Otherwise, you're depriving airport bookstores and magazine stands of their rightful business.

Silly isn't it? But no more so than jacking up the access fee for off-airport discount parking services.

The clumsy way the airport has structured the huge proposed fee increase -- 8 percent of gross sales, instead of the current flat fee for each shuttle van -- makes it doubly bad. There appears to be some question whether hotels would have to pay a huge portion of their gross sales just for the privilege of sending courtesy vans to and from the airport.



(Peter Dunlap-Shohl)

Fortunately, the airport's anti-competitive gambit has caught legislators' attention. A pending bill would allow a higher flat fee for parking lot shuttle buses, but it would block the exorbitant percent-of-the-gross fee proposed by the airport. If the airport won't straighten up and fly right, the legislature will have to keep this idea locked safely in a hangar.

BOTTOM LINE: That off-site airport parking lot has a big, ugly sign, but it shouldn't have to pay exorbitant fees to access Anchorage International Airport.

Right call

Video gaming initiative is 0 for 4

Lt. Gov. Loren Leman made the right call earlier this week when he refused to certify a ballot initiative from backers of a casino for video gaming and other activities.

The sponsors, represented by Anchorage attorney Ken Jacobus, lost again because they continue to sponsor a statewide initiative to confer special advantages to a potential owner of property in South Anchorage, Victoria Scott, who would be allowed to open a gaming establishment while other potential operators would need voter approval.

The Alaska Constitution doesn't allow special-interest initiatives. There's a place for special-interest proposals: the Alaska Legislature. Seriously, lobbyist jokes aside, lawmakers have the legal ability to pass special-interest legislation. But the Constitution bars such law-making by citizens initiative.

Heeding the Constitution, the Department of Law recommended -- for the fourth time -- that Lt. Gov. Leman reject the casino initiative. Mr. Jacobus had argued that a competitive advantage -- restricting other casinos in the market -- is fair for the petition backers to recoup their investment in the initiative. What?

No. No. No. No.

If initiative backers want a shot at gambling establishments in Alaska, let them put a fair initiative on the ballot. This deck was stacked in one person's favor. No straight table would tolerate it. Nor does the Alaska Constitution.

Wonder if these folks play poker like they do initiatives.

BOTTOM LINE: Video gaming initiative goes down again. Please, nobody help it up.

Jeff King

Iditarod champ at 50

With a great lead dog, his best team and a lifetime of hard-earned mushing expertise, Denali's Jeff King won his fourth Iditarod Trail Sled Dog Race early Wednesday.

He needed all of the above plus a little luck in the blowing snow between Kaltag and Unalakleet to stay ahead of Doug Swingley. He joined Mr. Swingley, Susan Butcher and Martin Buser as four-time winners. Rick Swenson has won five.

Yes, Mr. King may have invented a sled you can sit on, but it's clear the 50-year-old musher still has the legs to ride the runners.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES



Port of Seattle PROPOSED NEW PAGE

**SEA-TAC INTERNATIONAL AIRPORT
AIRPORT TARIFF NO. 1**

ORIGINAL/REVISED	PAGE
9TH REVISION	19
CANCELS	PAGE
8TH REVISION	19

**SCHEDULE OF GROUND TRANSPORTATION
SERVICE CHARGES**

OPERATOR CLASS	FEE AMOUNT	FEE TYPE	EFFECTIVE DATE
*Courtesy Vans	\$ 0.75	Per Trip	June 1, 2003
	\$ 0.85	Per Trip	June 1, 2004
	\$ 0.95	Per Trip	June 1, 2005
	\$ 1.05	Per Trip	June 1, 2006
	\$ 1.15	Per Trip	June 1, 2007
	\$ 1.25	Per Trip	June 1, 2008
Charter Buses	\$ 10.50	Per Trip 1-14 Passenger Capacity Bus	November 15, 2003
	\$ 12.75	Per Trip 15-30 Passenger Capacity Bus	November 15, 2003
	\$ 17.00	Per Trip 31+ Passenger Capacity Bus	November 15, 2003
Airporter Services	\$ 2.75	Per Trip	November 15, 2003
Limited-License Taxi Cabs	\$180.00	Annual Per-Vehicle Permit	November 15, 2003
Pre-Arranged Limousines	\$250.00	Annual Per-Vehicle Permit	November 15, 2003
	OR \$ 10.00	OR Per Day Per Vehicle	November 15, 2003
Parcel Carriers and Delivery Companies	\$200.00	Annual Transferable Permit	November 15, 2003
Crew Van Operators	\$100.00	Annual Per-Vehicle Permit	November 15, 2003

*This schedule is in lieu of annual inflation adjustments for calendar years 1999 through 2008.

ALL TARIFF RATES, DEPOSITS, FEES, RENTALS AND CHARGES ARE SUBJECT TO
ANNUAL AUTOMATIC ADJUSTMENTS FOR INFLATION (SEE PAGE 3B).

ISSUED: NOVEMBER 7, 2003 CORR. # ²⁶⁷ TBA EFFECTIVE: NOVEMBER 15, 2003

EXHIBIT E**THE PORT OF PORTLAND
PORTLAND INTERNATIONAL AIRPORT****COMMERCIAL ROADWAY
SCHEDULE OF FEES**

(Effective April 12, 1999)

ACCESS FEE	
VEHICLE TYPE	FEE
Taxis	\$1.50 each access
Executive Cars	\$1.50 each access
GVW of 4,000 lbs. or less (e.g., autos/vans)	\$1.00 each access
GVW of 4,001 through 10,000 lbs. (e.g., shuttle buses)	\$1.25 each access
GVW of 10,001 lbs. or more (e.g., buses)	\$10.00 each access
Other:	
Other:	

DWELL TIME FEE	
<p>The Dwell Time Fee applies to all Ground Transportation Vehicles using the Commercial Roadway, except on-demand Executive Cars, Taxicabs, Tri-Met buses and the Port's Airport to Downtown Concessionaire. The Dwell Time Fee is \$1.00 for each minute or portion thereof that the vehicle stays on the Commercial Roadway beyond the Allocated Dwell Times shown in the following chart. Times are calculated from the time that the vehicle passes through the entry gate until the time the vehicle passes through the exit gate.</p>	
VEHICLE CATEGORY/TYPE	ALLOCATED DWELL TIME
Scheduled Service Vehicles	10 minutes
Reservation Only Vehicles	30 minutes
Courtesy Vehicles	10 minutes

EXHIBIT E

**GROUND TRANSPORTATION FEES
17 AAC 42.095**

COURTESY VEHICLE, TAXI CAB	\$50 PER VEHICLE PER YEAR
LIMOUSINE	\$500 FOR THE FIRST VEHICLE AND \$50 FOR EACH THEREAFTER PER YEAR
TOUR BUS	\$100 PER VEHICLE PER YEAR OR \$50 PER VEHICLE PER YEAR IF LESS THAN 10 TRIPS
SCHEDULED BUS SERVICE	\$1,000 PER VEHICLE PER YR.
OFF AIRPORT SHUTTLE	\$500 FOR THE FIRST VEHICLE AND \$50 FOR EACH VEHICLE THEREAFTER PER YEAR
OFF AIRPORT CAR RENTAL	GREATER OF 8% OF GROSS SALES OR \$250 ANNUAL MINIMUM

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/21/06

FURTHER: Finance

Date of 5-Day Notice: 2/23/06
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/9/06

Transportation Committee considered SENATE BILL NO. 304

SB 304 AIRPORT PARKING SHUTTLES/AIRPORT CHARGES

"An Act relating to the privileges of airport parking shuttles and to fees or charges imposed on a person who is not a lessee or holder of a privilege to use the property or a facility of an airport."

and recommends:

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- attached amendment(s)
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CS Senate Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
SCS House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DOT/DF	2/28/06			X	1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Koolesh</i> Allent Koolesh			✓	
<i>French</i> [Signature]			X	
<i>Huggins</i> CHAIR: [Signature]	X			