

LEG. FINANCE - BILLS 1985 - 1986 2285

HCR 34 - HCR 36 2285

Introduced: 5/1/85  
Referred: Judiciary

1 IN THE HOUSE

BY MARROU

2

HOUSE CONCURRENT RESOLUTION NO. 34

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Proposing an amendment to Rule 37 of the

6

Uniform Rules of the Alaska State Legis-

7

lature relating to introduction of bills

8

by committees.

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

10 \* Section 1. Rule 37(a) of the Uniform Rules of the Alaska State Legis-  
11 lature is amended to read:

12 (a) Any member, group of members or, if introduction of each  
13 specific bill is authorized by an affirmative vote of a majority of  
14 the full membership of the committee, any [,] standing, special, or  
15 joint committee may introduce a bill, subject to the provisions of  
16 these Uniform Rules. A bill must be introduced, in proper form as  
17 approved by the enrolling secretary of the legislature, with the  
18 original and two carbon copies delivered to the chief clerk or  
19 secretary. The bill is then assigned a number which it retains  
20 through subsequent changes and substitutions. The bill is considered  
21 formally introduced when the clerk or secretary reads the heading and  
22 title aloud in open session (first reading). Bills may be introduced  
23 through the Rules Committees by the governor and the permanent interim  
24 committees pursuant to provisions of law.

**COMMITTEE REPORT**  
**SENATE**

FURTHER:

5/1/85

Date 3/24/86

Mr. President

The Committee on FINANCE considered HJR 34

urging Congress to maintain the current level of federal funding for child nutrition programs.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE  
- SEC
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_  
*Paul Holland*  
\_\_\_\_\_  
*John ...*  
\_\_\_\_\_  
*William ...*  
\_\_\_\_\_  
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*John ...*  
\_\_\_\_\_  
Chairman

*John ...*  
\_\_\_\_\_  
Chairman recommendation

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

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

**REQUEST**

Bill/Resolution No. : HJR 34  
 Title : Urging Congress to maintain the current level of funding for child nutrition programs  
 Sponsor : Koponen, et al  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : All  
 BRU : \_\_\_\_\_  
 \_\_\_\_\_  
 Components : \_\_\_\_\_  
 \_\_\_\_\_

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

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

<b>CAPITAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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<b>REVENUE</b>						
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**FUNDING : (Thousands of Dollars)**

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

**POSITIONS :**

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

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

Prepared by : \_\_\_\_\_  
 Division : Senator Jan Faiks, Co-chairman  
Senate Finance Committee

Phone : 465-4523  
 Date : 3/19/86

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

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

Distribution (by Agency preparing fiscal note) :

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

Introduced: 4/9/85  
Referred: Health, Education &  
Social Services

BY KOPONEN, BOUCHER, DAVIS,  
DUNCAN, GOLL, GRUENBERG,  
M.M. MILLER, PIGNALBERI,  
GRUSSENDORF, HURLEY AND  
BINKLEY

1 IN THE HOUSE

2

HOUSE JOINT RESOLUTION NO. 34

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Urging Congress to maintain the current

6

level of federal funding for child

7

nutrition programs.

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

9

WHEREAS the child nutrition programs in the state serve a wide range  
10 of children from all economic backgrounds; and

11

WHEREAS good nutrition is essential to the growth, development, learn-  
12 ing, and general well being of children; and

13

WHEREAS the April 1983, National Evaluation of School Nutrition Pro-  
14 grams indicated that students who participate in school lunch programs are  
15 better nourished than children who do not participate in school lunch  
16 programs; and

17

WHEREAS seven affiliated organizations within the state have adopted  
18 the Alaska State Nutrition Committee's School Lunch Resolution of January  
19 1984, and this resolution emphasizes the importance of good nutrition; and

20

WHEREAS participation in child nutrition programs is increasing in the  
21 state; and

22

WHEREAS the cost of the state's child nutrition programs is also  
23 increasing; and

24

WHEREAS approval of the projected cuts in federal funding for child  
25 nutrition programs will jeopardize the continuation of the present lunch  
26 programs in the state; and

27

WHEREAS the projected federal funding cuts, representing more than a  
28 30 percent reduction from the current funding level of the cash reimburse-  
29 ments for state child nutrition programs, will adversely affect the quality

1 of the existing child nutrition programs and the ability of the state to  
2 maintain these programs;

3 BE IT RESOLVED by the Alaska State Legislature that it urges the  
4 United States Congress to maintain the present level of federal funding for  
5 child nutrition programs throughout the country.

6 COPIES of this resolution shall be sent to the Honorable Ronald  
7 Reagan, President of the United States; to the Honorable George Bush,  
8 Vice-President of the United States and President of the U.S. Senate; to  
9 the Honorable Strom Thurmond, President Pro Tempore of the U.S. Senate; to  
10 the Honorable Thomas P. O'Neill, Jr., Speaker of the U.S. House of Repre-  
11 sentatives; and to the Honorable Ted Stevens and the Honorable Frank  
12 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,  
13 members of the Alaska delegation in Congress.

ANALYSIS FOR HOUSE JOINT RESOLUTION 34

Urging Congress to maintain the current level of federal funding for child nutrition programs

Because projected federal funding for child nutrition programs are to be reduced by at least 30%, this resolution urges the United States Congress to maintain the current level of federal funding for child nutrition programs.

There is no fiscal impact.

SFC-86  
HJR 34  
3/20/86

SCHOOL DISTRICTS SERVING LESS THAN 30% FREE & REDUCED PRICE MEALS

October 1985

	<u>Percentage of Free &amp; Reduced</u>	<u>Average Daily Participation</u>	<u>Number of Sites</u>	<u>Reimbursement FY85</u>	
				<u>Paid Meals</u>	<u>F&amp;RP Meals</u>
Adak	29	272	2	\$8,774	\$17,397
Bristol Bay	8	150	2	4,608	4,617
Cordova	22	162	2	5,004	12,458
Craig	29	88	2	3,325	18,469
Galena	23	103	2	3,920	6,364
Ketchikan	26	757	5	26,207	66,118
Nenana	22	108	2	4,089	7,558
Nome	21.5	400	2	13,548	30,264
Sitka	21	834	5	27,153	46,393
Unalaska	25	83	2	2,846	6,689
Valdez	26	389	5	18,010	39,504
Yakutat	28	145	3	4,792	19,774
<b>TOTAL</b>		<b>3491</b>	<b>34</b>	<b>\$122,276</b>	<b>\$275,606</b>

TOTALS OF THE ABOVE Predicted to Drop Child Nutrition Programs in Alaska

12 School Districts  
3491 Children  
34 Schools

0110M 0010M jce

CHILD CARE CENTERS SERVING LESS THAN 30% FREE AND REDUCED PRICE MEALS  
October 1985

	<u>Percentage of Free &amp; Reduced</u>	<u>Average Daily Participation</u>	<u>Number of Sites</u>	<u>Reimbursement FY85</u>
Bayshore (Anchorage)	6	29	1	\$3,210
Bethel Social Service	19	50	2	12,686
Butterfly (Anchorage)	17	32	1,	3,036
Carousel (Anchorage)	23	226	4	38,408
Chugiak	24.5	60	1	7,774
Ft. Richardson	16.5	253	3	25,873
Hillcrest (Anchorage)	5	67	1	4,797
Childrens Community (Juneau)	28	28	1	9,869
Joy (Eagle River)	8	79	1	3,944
Kotzebue	13.5	55	1	4,655
Little Bears (Girdwood)	6.5	16	1	4,590
Little Red Schoolhouse (Anch)	6.5	394	4	32,494
Nome	11.5	30	1	6,560
Parkstrip (Anchorage)	28.5	120	1	40,602
Play & Learn (Anchorage)	16.5	128	3	25,851
Ptarmigan (Valdez)	0	28	1	1,040
Naanquag (Dillingham)	28.5	50	1	*
St. Ann's (Juneau)	29.5	80	1	27,936
St. Jude (Juneau)	23	43	1	7,963
Small World (Kodiak)	8	63	2	11,733
Tanaina (Anchorage)	11.5	50	1	12,805
Wee Willie Winkle (Anchorage)	26.5	30	1	15,216
Wesleyan (Anchorage)	18	28	1	5,854
TOTAL		1939	35	\$306,897

TOTALS OF THE ABOVE predicted to drop Child Nutrition Programs

23 Centers  
35 Sites  
1939 Children

\* New in '86

0110M 0010M

# The American School Food Service Association 1986 Legislative Issue Paper

WHEREAS, the President has proposed \$775 million in child nutrition budget cuts as a part of the 1987 budget;

WHEREAS, the Omnibus Reconciliation Act of 1981 has reduced federal funding for child nutrition by over \$5.2 billion since that time;

WHEREAS, the Senate agreed on May 9, 1985 to an amendment by Senator Paula Hawkins eliminating all cuts in child nutrition after refusing to table the amendment by a vote of 60-36;

WHEREAS, the 1986 budget resolution as passed by the Congress provided \$100 million in child nutrition funding above current services;

WHEREAS, on September 18, 1985 the House rejected any cuts in child nutrition and by a vote of 367-59 agreed to H.R. 7 reauthorizing the expiring child nutrition programs and making other improvements in the child nutrition programs;

WHEREAS, on November 22, 1985, the Senate passed H.R. 7 as amended without any budget cuts; and

WHEREAS, Gramm-Rudman exempted child nutrition programs from any budget cuts;

THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION HEREBY ADOPTS THE FOLLOWING LEGISLATIVE POSITIONS FOR 1986:

## GENERAL ASSISTANCE SUPPORT

1a. ASFSA strongly opposes the elimination of cash and commodity support to schools based upon the participation of students with family income above 185 percent of the poverty line. This proposal would lower the federal subsidy by 25¢ (cents) per meal for approximately half of all lunches served nationwide and would, therefore, jeopardize the very existence of the National School Lunch Program.

The rationale for the Administration's proposal is that this support is an "upper income subsidy" and cannot be justified. The characterization of federal support received by local schools under Section 4 of the National School Lunch Act as an "upper income subsidy" indicates a lack of understanding of how the program operates at the local level, how the funds are used, and of the differences between the school lunch program and a welfare program.

The so-called "high income subsidy" is not a transfer payment to individuals but is a grant-in-aid to schools to support the basic infrastructure of the school lunch program. Without this support many school districts could not afford to participate in the National School Lunch Program, thereby depriving all children in the community, including poor children, of the nutritional value of the program.

It is estimated that 5 to 8 million children and 10,000 to 15,000 schools would be forced from the National School Lunch Program if this support were eliminated.

1b. As part of its proposal to eliminate school lunch general assistance, the Administration is seeking to lower the reimbursement rate for free and reduced-price lunches by approximately 12¢ (cents) and substitute USDA commodities for this cash support. While this proposal would maintain the current level of total commodity purchases nationwide, the restructuring of the nature of the federal support for free and reduced-price school lunches will cause major disruptions at the local level.

## H.R. 7

2. Recognizing that H.R. 7 is in Conference, ASFSA supports H.R. 7 as passed by the House 367-59 on September 18, 1985. Of particular importance is the provision that would increase the reimbursement for the breakfast program by 6¢ per meal. The USDA *National Evaluation of School Nutrition Programs* identified certain deficiencies in the school breakfast meal pattern. This provision is intended to improve the nutritional value of the school breakfast program consistent with the USDA study.

An additional priority to ASFSA is the "Jeffords" amendments on competitive foods.

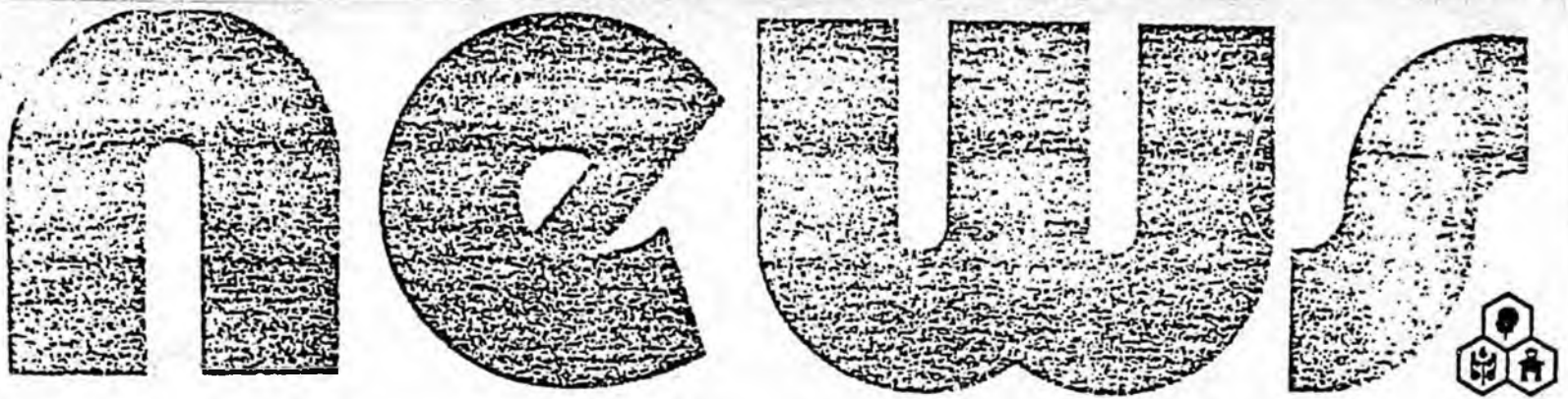
## NATIONAL COMMODITY PROCESSING

3. ASFSA supports, as an indispensable element of the commodity program, the National Commodity Processing (NCP) program as long as there are "bonus" commodities. NCP should work in conjunction with state processing (where it exists) so that schools throughout the country may derive the full benefits of the Program. The Food Security Act of 1985 (farm bill) extends NCP until June 30, 1987. ASFSA favors a continuation beyond that time.

## CHILD CARE FOOD PROGRAM

4. ASFSA supports the continuation of the Child Care Food Program as currently authorized. Additional eligibility qualifications should not be incorporated until proven cost effective.

(more)



# American School Food Service Association

4101 East Iliff Avenue • Denver, Colorado 80222 • (303) 757-8555

Contact:

For Release  
February 5, 1986

Marshall L. Matz  
(202) 861-1234

## SCHOOL LUNCH PROPOSAL TO ELIMINATE PROGRAM IN MANY SCHOOLS

The 1987 budget proposal by the Reagan Administration to significantly reduce federal support for the National School Lunch Program will place over 40,000 schools at risk of dropping from the program. "If such school dropout occurs, all children, including poor children receiving a free or reduced price meal, would lose access to the program," according to Ms. Gene White, the Legislative Chairman of the American School Food Service Association. Conservatively, ASFSA believes that 10,000-15,000 schools, and 5 - 8 million children will be forced from the school lunch program under the proposal.

The proposed budget cut represents a potential reduction of 24¢ per meal in federal support for approximately one-half of the meals served in the program. In 1981 the per meal school lunch reimbursement was cut by 11¢, and some 3 million children were forced from the program. "The characterization by the Administration that the proposal simply eliminates a 'high income subsidy' is not accurate" according to White. The so-called high income subsidy is not a transfer payment to individuals but a grant-in-aid to schools to support the basic infrastructure of the school lunch program. Without this support, many school districts could not afford to participate in the National School Lunch Program.

The Administration's proposal is the same proposal made last year but rejected by the Congress after the Library of Congress issued an analysis indicating that approximately 44,000 schools throughout the country, with over 12 million students participating in the program, had over 60% "paid lunches" and therefore were at risk of dropping the program.

Attached is the Library of Congress study.



Congressional Research Service  
The Library of Congress

Washington, D.C. 20540

February 5, 1985

TO : House Elementary, Secondary and Vocational Education  
Subcommittee  
Attention: Jack Jennings

FROM : Jean Yavis Jones  
Specialist in Social Legislation  
Education and Public Welfare Division

SUBJECT : Participation Response in the School Lunch Program if Subsidies are  
Eliminated for Meals Served to Non-poor Children

In response to your and Mary Jane Fiske's request, we have contacted the U.S. Department of Agriculture (USDA), Food and Nutrition Service, and looked at USDA data from the National evaluation of school food programs (NESFP) to see if information is available to estimate participation drop-out if paid lunch subsidies were eliminated. The study data includes some useful information on participation response to subsidy reductions, as well as distributions of children in and schools with large percentages of paid lunches.

According to USDA, there is a correlation of .8 percent participation reduction for each one-cent reduction in the paid lunch subsidy. Using this correlation, the elimination of the projected 24.75 cents in cash and commodity subsidies for paid lunches would translate to a 19.8 percent reduction in participation. Using current participation data (FY 1984), this translates to 2.31 million paid lunch children dropping out of the school lunch program if paid subsidies were eliminated.

This does not, however, account for the number of children (paid, free and reduced price recipients) who might lose program benefits if schools stopped participating in the program because of the elimination of the paid subsidy.

Unfortunately, the NESFP did not examine the factors affecting schools decisions to participate (or not participate) in the program and the USDA has no data on this subject. Consequently there is no definitive way of estimating the number of children who might lose the program's benefits if schools decided to stop participating because of the loss of the paid lunch subsidy.

The NESFP did however look at the distributions of children and schools by proportion of free and reduced price meals (and conversely, paid meals) served (see Attachment A). This data provides guidance about schools receiving various proportions of paid lunch subsidies and the children in these schools. Those schools with the highest proportion of paid lunches (or lowest proportion of free and reduced price lunches) will be most dramatically affected by the elimination of the paid subsidy, and thus, perhaps, at most risk of dropping from the program entirely. If such school drop-out occurs all of the children in the school would lose access to the program.

The decline in schools participating in the school lunch program after paid lunch subsidies were partially reduced in FY 1982 suggests that it is reasonable to assume that total elimination of paid subsidies would almost certainly result in some schools dropping the program.

For your convenience we have reversed the proportions shown in the enclosed USDA Attachment A to show proportions of paid lunches. We have also translated these percentages into estimates of numbers of schools and children based on FY 1984 school lunch program participation data.

Distribution of Schools, Enrolled Students and Participants.  
By Percent of NSLP Paid Lunches a/

Paid Lunches Percentage		Schools	Program Participants	Students Enrolled
80 percent and over	Percent	20.95	23.43	24.44
	Estimated Number	17,900	5,521,748	9,889,000
60-79 percent	Percent	30.39	29.99	29.55
	Estimated Number	25,967	7,067,743	11,955,930
40-59 percent	Percent	19.18	17.45	18.02
	Estimated Number	16,388	4,112,442	7,290,892
20-39 percent	Percent	15.20	14.75	14.23
	Estimated Number	12,988	3,476,132	5,757,458
Less than 20 percent	Percent	14.28	14.37	13.76
	Estimated Number	12,202	3,386,579	5,567,296
TOTAL	Percent	100	100	100
	Estimated Number*	85,445	23,567,000	40,460,000

Source: Data is based on Attachment A of NESNP-1, Food and Nutrition Service and USDA--FNS/ACD/Accounts, Reports and Analysis Branch, National School Lunch Program--FY 1984. December 13, 1984 Data run.

\* May not total due to rounding.

Unfortunately, the USDA data available does not provide breakdowns on the proportions of paid, free and reduced price meal eligible children--so it does not answer your question about how many low-income children (i.e., free and reduced price participants) there are in such high risk schools. In the case of schools

where 80 percent or more lunches are "paid" we can only say that no more than 20 percent are receiving free and reduced price lunches.

We hope this information will be of assistance.

.Attachment

cc: Mary Jane Fiske

ATTACHMENT A

Distribution of Schools, Students and Participants  
By Percent of NSLP Lunches Served Free or Reduced Price

Table 1 (NESNP-1)

Percent of NSLP Lunches Served Free or Reduced Price	Percent of Schools	Percent of Students*	Percent of NSLP Lunches**	Percent of SBP Breakfasts
20% and under	(20.95)	(24.44)	(23.43)	(4.3)
21% - 40%	(30.39)	(29.55)	(29.99)	(12.38)
41% - 60%	(19.18)	(18.02)	(17.45)	(16.56)
61% - 80%	(15.20)	(14.23)	(14.75)	(26.36)
Over 80%	(14.28)	(13.76)	(14.37)	(40.38)
All	100.00	100.00	100.00	100.00

Source: Food and Nutrition Service, U.S. Department of Agriculture National Evaluation of School Nutrition Programs - 1 (1983)

\* Means percent of students enrolled in those schools.  
\*\* Means participants.

# MEMORANDUM

# State of Alaska

TO: Lisa McLaren, House HESS Committee  
Representative Koponen's Office  
Alaska State Legislature

DATE: February 27, 1986

FILE NO.: 0051M

THRU: Mary Hakala, Special Assistant

TELEPHONE NO.: 465-2865

SUBJECT: Proposed FY87 Federal Budget  
Cuts for Child Nutrition  
Programs

FROM: E. Ruth Benigno, R.D. *ERB*  
Program Coordinator, Food Services  
Educational Finance and Support Services

Attached are copies of President Reagan's proposed federal budget cuts for FY87, and other information explaining the impact of the cuts nationally and on a statewide basis in Alaska.

Looking at the total cuts proposed for all Child Nutrition Programs, there is a 17 percent cut for FY87 on a national level.

Assuming participation remains the same, the projected cuts in the Alaska School Feeding Programs are 25 percent and Child Care Food Programs in Centers are 31 percent. Please see attached worksheets.

For the Family Day Care Home Program there is no way to predict the cuts because we have no records of the income eligibility of the participants. If we assume that needy children in homes is the same percent as in centers, which is 32 percent, the Family Day Care Home Program will be virtually eliminated. (Home providers who care for five children will not remain in the program with only two children qualifying for meal reimbursement.)

The Child Care Centers with a high percentage of paid meals will not find it beneficial to continue participation.

Schools will be forced to raise prices 20-25 cents for a paid meal. Nationally, a one percent decline in participation is evidenced for every one cent increase in price.

A district-by-district and center-by-center analysis will be completed approximately March first and copies will be provided to you. This is an endeavor to predict declines in participation by school district and child care center.

Attachments  
ERB:jce

ADMINISTRATION'S PROPOSED BUDGET CUTS  
Fiscal Year 1987

1. National School Lunch Program

a. Eliminate cash and commodities attributable to students above 185% of the poverty line.

b. Increase commodity rate to 24¢/meal for students below 185% of poverty and lower cash rate by 12¢/meal.

2. School Breakfast Program

Eliminate cash and commodities attributable to students above 185% of the poverty line.

3. Child Care Food Program

a. Eliminate cash and commodities attributable to children above 185% of the poverty line.

b. Increase commodity rate to 24¢/meal for children below 185% of poverty and lower cash rate by 12¢/meal.

c. Eliminate special funding for audits.

d. Require means test for family day care homes.

4. Nutrition Education and Training

Eliminate N.E.T. effective October 1, 1986.

5. Summer Food Service Program for Children

a. Eliminate reimbursement for administration.

b. Lower reimbursements rate to the same as that for meals in national school lunch program.

6. State Administrative Expense Funding

Lower budget authority by \$19.6 million to recoup increased appropriation.

7. Special Milk

Eliminate program for children over 130% of poverty line.

---

Total cut is \$775 million below current law.

SCHOOL FEEDING PROGRAMS - LUNCH, BREAKFAST, MILK  
WORKSHEET TO PROJECT EFFECT OF PROPOSED FEDERAL FY87 BUDGET CUTS

1. Number of lunches served to paying children in FY85.	3,564.46
2. Times reimbursement.	X .20
3. Sub-total.	\$( 721,804)
4. Number of meals <u>1,337,820</u> times extra two cents.	( 26,756)
5. TOTAL estimated section 4 reimbursement lost from the paying child.	\$( 748,560)
6. Number of breakfasts served to paying children in FY85.	70,740
7. Times reimbursement.	\$ X .16
8. TOTAL estimated breakfast reimbursement lost.	\$( 11,320)
9. Number of lunches served to paying children in FY85 (same figure as #1).	3,564.46
10. Times entitlement for commodities.	X .11
11. TOTAL value of USDA Commodities lost for paying child.	\$( 418,825)
12. Number Free and Reduced lunches served in FY85.	2,685.58
13. Times proposed decrease in reimbursement.	X .19
14. TOTAL decrease in F & RP cash reimbursement.	\$( 523,688)
15. Number F & RP lunches served in FY85 (same number as #10).	2,685.58
16. Times value of Commodity entitlement.	X .12
17. Increase in value of Commodity entitlement.	\$ 328,984
18. TOTAL federal cash reimbursement in FY85 (lunch, breakfast).	\$16,604.09
19. Times usual 4 percent cost of living increase.	X .04
20. TOTAL revenue lost due to no cost of living increase.	\$( 264,164)
21. Number of half-pint milk served to paying child.	215,440
22. Times reimbursement.	X .09
23. TOTAL reimbursement lost for Special Milk Program.	\$( 20,467)

SUMMARY	FOOD	\$ CASH
Line 5 .....		(748,560)
Line 8 .....		( 11,320)
Line 11 .....	<u>( 418,825 )</u>	
Line 14 .....		(523,688)
Line 17 .....	<u>328,984</u>	
Line 20 .....		(264,164)
Line 23 .....		(20,467)

TOTAL NET LOSS due to proposed budget cuts.      \$ ( 49,801 )      \$ ( 1,568,190 )

This assumes that participation in FY85 and FY87 are the same.

25% ELL

\* - Food not cash

( 1,058,040 )

11/14/86

CHILD CARE FOOD PROGRAM  
WORKSHEET TO PROJECT EFFECT OF PROPOSED FY87 FEDERAL BUDGET CUTS

1. Number of lunches and suppers served to paying children in FY85.	380,108
2. Times reimbursement.	X .202
3. TOTAL estimated reimbursement lost from the paying child.	\$( 76,972
4. Number of breakfasts served to paying children in FY85.	244,433
5. Times reimbursement.	\$ X .16
6. TOTAL estimated breakfast reimbursement lost.	\$( 39,109
7. Number of lunches and suppers served in FY85 (same figure as #1).	380,108
8. Times entitlement for commodities or cash in lieu.	X .117
9. TOTAL value of USDA Commodities or cash in lieu lost for paying child.	\$( 44,663
10. Number Free and Reduced lunches and suppers served in FY85.	201,894
11. Times proposed decrease in reimbursement.	X .195
12. TOTAL decrease in F & RP cash reimbursement.	\$( 39,369
13. Number F & RP lunches and suppers served in FY85 (same number as #10).	201,894
14. Times value of Commodity entitlement.	X .122
15. Increase in value of Commodity entitlement.	\$ 24,732
16. Number paid supplements served in FY85.	430,245
17. Times reimbursement.	X .052
18. TOTAL decrease in paid supplement reimbursement.	\$( 22,588
19. TOTAL federal cash reimbursement in FY85(lunch,supper,supplements,breakfast).	725,590
20. Times usual 4 percent cost of living increase.	X .04
21. TOTAL revenue lost due to no cost of living increase.	\$( 29,024

SUMMARY	FOOD	CASH
Line 3 .....		\$ 76,972
Line 6 .....		( 39,109
Line 9 .....	(544,663)	
Line 12 .....		( 39,369
Line 15 .....	24,723	
Line 18 .....		( 22,588
Line 21 .....		( 29,024

TOTAL NET LOSS due to proposed budget cuts.      (19,931) + (207,062)

This assumes that participation in FY85 and FY87 are the same.

*Total food service revenue in lieu (226,993)*

FAMILY DAY CARE HOME PROGRAM

Loss of 68 percent of reimbursement assuming number of needy children are the same percentage as in centers.

Actual FY 85 Food Service Reimbursement	\$1,185,772
Projected FY 87 Reimbursement with proposed cuts	379,447

0070M



U.S. DEPARTMENT OF AGRICULTURE

**1987 BUDGET SUMMARY**

FOOD AND NUTRITION SERVICE  
Program Level  
Fiscal Years 1985-1987

Program	1985 Actual	1986 Current Estimate	1987	
			Current Law	Proposed Legislation
(Dollars in Millions)				
Food Stamp Program .....	\$11,732.2	\$11,692.6	a/ \$12,001.0	\$11,687.7
Nutrition Assistance for Puerto Rico .....	825.0	820.0	825.0	825.0
Child Nutrition Programs:				
Cash Grants to States:				
School lunch program:				
Section 4 .....	532.1	430.4	557.1	27.8
Section 11 .....	2,127.6	2,210.3	2,356.0	2,372.8
School breakfast .....	407.0	409.9	436.4	414.1
State administrative expenses ...	46.9	48.9	51.2	51.2
Summer food .....	115.1	121.9	132.7	111.7
Child care food .....	434.9	483.5	541.7	338.1
Total, Cash Grants to States ..	<u>3,663.6</u>	<u>3,704.9</u>	<u>4,075.1</u>	<u>3,315.7</u>
Commodities .....	475.2	511.8	501.8	510.7
Nutrition studies and surveys .....	2.5	2.4	2.5	2.5
Nutrition education and training .....	5.0	5.0	5.0	- -
Total, Child Nutrition Programs	<u>4,146.3</u>	<u>4,224.1c/</u>	<u>4,584.4</u>	<u>3,828.9</u>
Special Milk Program.....	15.5	13.1c/	16.3	1.4
Special Supplemental Food Programs:				
WIC .....	1,504.2	1,560.1	1,617.0	1,617.0
CSFP .....	38.1	40.8	38.6	38.6
Total, Special Supplemental Food Programs .....	<u>1,542.3</u>	<u>1,600.9</u>	<u>1,655.6</u>	<u>1,655.6</u>
Cash and Commodities for Selected Groups:				
Needy Family Program .....	51.8	52.9	55.3	55.3
Nutrition Program for the Elderly ....	120.8	125.9	132.0	132.0
Total, Cash and Commodities for Selected Groups .....	<u>172.6</u>	<u>178.8</u>	<u>187.3</u>	<u>187.3</u>
Temporary Emergency Food Assistance Program .....	56.8	47.6	- -	- -
Food Program Administration .....	84.2	78.5	86.1	86.1
Total, Food and Nutrition Service ....	<u>18,574.9</u>	<u>18,655.6</u>	<u>19,355.7</u>	<u>18,272.0</u>

a/ Reflects effect of legislation to be proposed to save \$69 million by repealing certain provisions of the Food Security Act of 1985 which are to become effective May 1, 1986.

b/ This amount will be offset by funds States are allowed to carry over for a savings of \$19.6 million.

c/ Reflects effect of legislation to be proposed to eliminate the Federal subsidy to non-needy participants in the Child Nutrition (\$66.6 million) and Special Milk Programs (\$3.5 million) for a savings of \$70.1 million.

## FOOD AND NUTRITION SERVICE (FNS)

The Food and Nutrition Service, through State and local agencies, administers a number of programs which provide food assistance to individuals. FNS programs are designed to meet family food needs, the food needs of individuals with special nutritional requirements, and the food needs of persons in certain institutional settings. Programs administered by FNS include the Food Stamp Program; Nutrition Assistance for Puerto Rico; Child Nutrition Programs; Special Milk Program; Special Supplemental Food Programs; Cash and Commodities for Selected Groups; and Temporary Emergency Food Assistance Program.

Food Stamp Program. The Food Stamp Program allows needy households to obtain a more nutritious diet by providing coupons to enable them to purchase food at retail stores. One-hundred percent of benefit costs and over 50 percent of administrative costs are borne by the Federal Government. State and local governments are responsible for receiving and processing applications, as well as ensuring that the correct amount of benefits are issued to eligible households. States with overissuance errors in excess of legislatively determined levels are required to pay for a portion of the loss to the Federal Government.

For 1987, the Administration is requesting a program level of \$11.7 billion for the Food Stamp Program. A slight reduction in participation is expected based on a lower projected level of unemployment and legislation proposed in 1987. Under current law, program costs would increase to \$12 billion due to a projected increase in the cost of the Thrifty Food Plan and expanded eligibility requirements.

However, Federal costs in 1987 will be held to about the 1986 level because savings of \$350.3 million are anticipated based on the following proposed program changes:

- Hold States liable for the full dollar value of erroneously issued benefits above a tolerance level of five percent. Under current law, the States are held liable for only a fraction of their erroneous issuances above five percent. Implementation of this proposal would encourage the States to invest in error prevention and would result in savings of \$11 million in 1987.
- Make the rules regarding the treatment of cash utility assistance consistent with assistance provided through vouchers. Under current law, if a household's utility expenses are paid by a third party (vendor payment), only that portion of the household's utility expense that it pays itself can be considered as a household utility expense in calculating the excess shelter deduction. However, if a household receives cash assistance intended to help the household pay its utility expense, the entire utility expense, whether paid from the cash assistance received or the household's own resources, may be counted in the calculation of the excess shelter deduction. This proposal would prohibit counting expenses paid through cash assistance from being counted in calculating a household's excess shelter deduction. The Food Stamp Act prohibits counting energy assistance as income to the household. Allowing households to count all of its utility expenses, even those reimbursed through either a cash or a third party (vendor payment), as a utility expense is a "double benefit" to households. The proposal would save \$68 million in 1987.

- Count stipends as well as the earnings of Job Training Partnership Act (JTPA) participants as income. The Food Security Act of 1985 (Public Law 99-198) requires that earnings provided under JTPA be counted as income. Requiring that stipends also be counted as income would save \$10 million in 1987.
- Amend the State administrative funding formula. The proposal would retain the current 50 percent match provision, but would make the following changes:
  - States with average per recipient administrative expenses in excess of 175 percent of the national average would receive 25 percent Federal match for that portion of expenses in excess of 175 percent.
  - Special matches for anti-fraud and automated data processing activities would be gradually reduced from the current 75/25 Federal/State basis to a 50/50 basis.

This proposal would save \$6.3 million in 1987.

- Propose the repeal, as of May 1, 1986, of several provisions enacted under the Food Security Act of 1985 which expand program eligibility. The following provisions are being proposed for repeal:
  - Increase in the assets limit. On May 1, the limit on assets for most households will be raised from \$1,500 to \$2,000.
  - Increase in the earnings deduction. The earned income deduction, currently set at 18 percent, will rise to 20 percent on May 1.
  - Separation of the dependent care/excess shelter deduction into two deductions.
  - Increase the maximum limit of both the dependent care deduction and the excess shelter deduction.

Repealing the above provisions will save \$69 million in 1986, \$189 million in 1987, and \$230 million in 1988.

- Require that States implement a universal work requirement for employable applicants and recipients. The work requirement can consist of job search, Community Work Experience Program (CWEP), or other types of employment and training activities. All employable applicants and recipients would be required to participate in at least one of the employment or training programs. This proposal is expected to result in net program savings of \$66 million because some applicants or recipients will either find paid employment through employment and training programs or be determined ineligible because they choose not to comply with the work requirements.

The proposed program changes noted above will be partially offset by an increase of \$37 million in 1987 due to proposed legislation affecting the Aid to Families with Dependent Children (AFDC) program.

- .. Nutrition Assistance for Puerto Rico. Through a grant of \$825 million, this program provides assistance to the Commonwealth of Puerto Rico for food assistance to low-income households. The Secretary must review and approve the Commonwealth's annual plan of operation.

Child Nutrition Programs. Federal assistance in the form of cash and commodities is provided through State agencies to schools, institutions, day care centers and family day care homes to prepare and serve meals to children. The 1986 funding level is \$4.2 billion. The 1987 request is \$3.8 billion, \$775 million less than the 1987 current law estimate and \$395 million less than the 1986 estimate. The 1987 request is the result of the following proposals:

- Eliminate cash and commodity subsidies for meals served to non-needy children in the School Lunch, School Breakfast and Child Care Food Programs. This proposal would eliminate subsidies for meals served to children from families with incomes above 185 percent of the poverty level. Proposed legislation would also include a means test for participants in Family Day Care Homes since currently all meals in these homes are subsidized at the same rate regardless of family income. The proposal would be effective on July 1, 1986, in schools and on October 1, 1986, in the Child Care Food Program. This proposal provides approximately \$721.7 million in savings for 1987.

Note: Cash and commodity subsidies for free and reduced price meals will be adjusted so that commodities will continue to be purchased for donation to the Child Nutrition Programs at the same level as under current services.

- Eliminate special per meal administrative reimbursement rates and modify the general per meal reimbursement rates in the Summer Food Service Program. This proposal would make Summer Food Service Program rates comparable to those for free meals in the School Lunch, School Breakfast, and Child Care Food Programs. This proposal provides approximately \$21.0 million in savings for 1987.
- Eliminate the Nutrition Education and Training (NET) Program.
- Eliminate the special fund for State Child Care Food Program audits. The Uniform Single Audit Act of 1984 requires organization-wide audits for organizations receiving Federal funds, making obsolete special funding provisions, originally set up for States to conduct program specific audits. This proposal provides approximately \$7.9 million in savings.
- Offset, for 1987 only, the State Administrative Expenses (SAE) by the amount of carryover. States are allowed under current law to carryover unspent SAE funds from the year appropriated into the following year. A recent study has shown that SAE carryover has grown to about 40 percent of appropriated funds. This proposal will provide approximately \$19.6 million in savings.

School Lunch and School Breakfast Programs  
Participation and Federal Subsidies

	<u>Daily Average Participation</u>			<u>Federal Subsidy</u>		
	<u>1986</u>	<u>1987</u>		<u>1986</u>	<u>1987</u>	
		<u>Existing</u>	<u>Proposed</u>		<u>Existing</u>	<u>Proposed</u>
	(Thousands)			(¢ per meal)		
<u>School Lunch Program:</u>						
1. Students from families above 185% of poverty (above \$19,703 per year for a family of 4) .....	11,964	12,187	- -	24.37	25.12	- -
2. Students from families between 130% and 185% of poverty (between \$13,845 and \$19,703 for a family of 4).....	1,582	1,612	1,612	102.83	108.92	108.92
3. Students from families below 130% of poverty (below \$13,845 for a family of 4) .....	10,103	10,741	10,741	142.98	149.09	149.09
<u>School Breakfast Program:</u>						
1. Students from families above 185% of poverty (above \$19,703 per year for a family of 4) .....	414	420	- -	9.84	10.34	- -
2. Students from families between 130% and 185% of poverty (between \$13,845 and \$19,703 for a family of 4) .....	74	81	81	45.11a/	48.44a/	48.44
3. Students from families below 130% of poverty (below \$13,845 for a family of 4) .....	2,345	2,489	2,489	73.43a/	79.69a/	79.69

a/ Reflects a weighted average of the Federal Subsidy for meals served in regular and severe need schools.

Special Milk Program. Through the Special Milk Program, the Department provides half-pints of milk to children in schools and institutions that do not participate in other Federal feeding programs. In 1987, the program will be funded at a level of \$1.4 million a decrease of \$11.7 million from the 1986 level of \$13.1 million. For 1987, legislation is being proposed to eliminate subsidies for milk served to children from families whose income exceeds 130 percent of poverty (\$13,845 for a family of four). The Department will continue to pay the full cost of milk served to children from families below 130 percent of poverty.

Special Supplemental Food Programs. The Special Supplemental Food Program for Women, Infants and Children (WIC) and the Commodity Supplemental Food Program (CSFP) provide nutritional assistance to pregnant and post-partum women, infants and children on the basis of financial and nutritional need. The WIC Program consists of cash grants to States, with assistance provided primarily in the form of State-issued vouchers that can be redeemed for specified foods at retail stores. The CSFP provides assistance in the form of commodities purchased or donated by USDA. The Federal Government also provides grants to States for administrative expenses.

In 1986, for WIC, total projected program funding of \$1.56 billion will provide assistance to approximately three million participants per month. In 1987, the Administration's proposal of \$1.62 billion for the WIC Program will also support about three million participants per month.

The proposed CSFP program level of \$40.8 million in 1986 and \$38.6 million in 1987 will support slightly over 140,000 participants per month in both years. In 1987, the Administration will continue to fund those elderly persons participating in CSFP during 1986. Further, the Administration is proposing to repeal the provision in the Food Security Act of 1985 requiring administrative funding be provided for commodities which are not part of the CSFP food package.

Cash and Commodities for Selected Groups. This program includes the Needy Family Program on Indian Reservations (NFPIR), the Food Distribution Program to residents of the Republic of Palau, a Trust Territory of the Pacific, and the Nutrition Program for the Elderly (NPE).

NFPIR and the Food Distribution Program for Palau are largely commodity programs; about 71 percent of program resources are used to purchase nutritious commodities. The remainder of program resources are used to pay administrative expenses incurred by distributing agencies.

For 1987, the Administration is proposing a program level of \$55.3 million for the NFPIR and the Trust Territory of the Pacific. This is a net increase of \$2.4 million over the 1986 program level and allows for inflationary increases in food costs, an increase in NFPIR participation, and an increase in administrative expenses. These increases are offset by a decrease in participation in the Trust Territory of the Pacific because the Compact of Free Association, which was signed on January 14, 1986, provides funding through other sources outside USDA for assistance to the Marshall Islands and the Federated States of Micronesia. The 1987 budget request reflects continuation of the program in Palau.

The NPE is predominantly a cash subsidy program with almost 96 percent of program resources used to make cash payments to meal providers. Meals are served to the elderly regardless of their financial circumstances.

For the NPE in 1986, funds will be held at the authorized level of \$125.9 million. A rescission will be requested for \$5.2 million. For 1987, the Administration plans to request \$132.0 million, the amount authorized.

Temporary Emergency Food Assistance Program. In 1986, the Department is providing \$50 million to help States pay for intrastate storage and distribution costs for donated Federal commodities. No funding is being requested for 1987.

Food Program Administration. Food Program Administration provides Federal oversight for the programs of the Food and Nutrition Service.

The recommended funding level for 1987 is \$86.1 million, a net increase of \$7.6 million over the 1986 level of \$78.5 million. This includes an increase of \$5.1 million for computer purchases.

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

4/23/85

Date 4-30-85

Mr. President

The Committee on HESS considered HJR 34 urging Congress to maintain the current level of federal funding for child nutrition programs.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
do pass with attached amendment(s)
replace with/or adopt CS for
new title
same title and recommends
and attached a "LETTER OF INTENT"
reports it back without recommendation
recommends referral to Committee

MEMBERS SIGNING DO PASS

Handwritten signatures of committee members who signed 'do pass'.

MEMBERS HAVING OTHER RECOMMENDATIONS

Blank lines for members with other recommendations.

Signature of the Chairman with the recommendation 'Do Pass'.

COMMITTEE REPORT  
SENATE

FURTHER:

4/26/55

Date

5/1/55

Mr. President

The Committee on FINANCE considered HJR 35

Urging the U.S. Olympic Committee to select Anchorage as the United States nominee for the site of the 1962 Winter Olympic Games.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title \_\_\_\_\_
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

\_\_\_\_\_

\_\_\_\_\_

*Carl Turk*

\_\_\_\_\_

*John A. ...*

\_\_\_\_\_

*W. E. ...*

\_\_\_\_\_

*John ...*

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

*Carl Turk*

\_\_\_\_\_

Chairman

\_\_\_\_\_

Chairman recommendation

SENATE AMENDMENT

By Senate Finance Committee

To: \_\_\_\_\_ SENATE BILL No. \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. HJR 35

PAGE:

LINE:

Change "Winter Olympic Games" to "Olympic Winter Games"  
at Page 1, Lines 8, 11, and 13, and  
Page 2, Lines 6, 7, and 9

Page 1, Line 25

Change "biathalon" to "biathlon"

Page 2, Line 4

Change "Olympiad" to "Olympic Winter Games"

*Handwritten signature or initials in the top right corner.*

Introduced: 4/12/85  
Referred: State Affairs

BY CLOCKSIN, NAVARRE AND  
GRUENBERG

1 IN THE HOUSE

2

HOUSE JOINT RESOLUTION NO. 35

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Urging the United States Olympic

6

Committee to select Anchorage as the

7

United States nominee for the site of

8

the 1992 ~~Winter Olympic Games.~~

*Olympic Winter Games*

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

10

WHEREAS the Anchorage Organizing Committee is working to bring the

11

1992 Winter Olympic Games to Anchorage, Alaska; and

12

WHEREAS worldwide attention would be focused on the grandeur, spirit,

13

and bright promise of the state if the 1992 Winter Olympic Games were held

14

in Anchorage; and

15

WHEREAS this attention would encourage tourism in the state and stimu-

16

late the economy of the state; and

17

WHEREAS Anchorage, as a three-time All American City, is representa-

18

tive of the can-do spirit that is an inherent trait of the people of North

19

America; and

20

WHEREAS Anchorage and the southcentral region of the state where

21

Anchorage is located already possess many winter sport facilities of

22

Olympic caliber, including three of the four Olympic-size hockey rinks in

23

the United States, a world-class alpine ski run at Alyeska Ski Resort,

24

Nordic cross-country ski trails and training facilities, and winter

25

biathlon trails and training facilities; and

26

WHEREAS Alaska is ideally situated on the globe to facilitate world-

27

wide broadcasting of the 1992 Winter Olympics; and

28

WHEREAS Anchorage is an air crossroads of the world and an inter-

29

national community; and

1           WHEREAS all Alaskans share the spirit of adventure that is necessary  
2 to Olympic competition; and

3           WHEREAS Alaska possesses the technology, willingness, of spirit, and  
4 warm hospitality necessary for a successful ~~Olympiad~~ *Olympic Winter Games*;

5           BE IT RESOLVED by the Alaska State Legislature that it fully endorses  
6 the efforts of the Anchorage Organizing Committee to bring the 1992 Winter  
7 Olympic Games to the state and urges the United States Olympic Committee to  
8 select Anchorage, Alaska as the United States nominee for the site of the  
9 1992 Winter Olympic Games.

10           COPIES of this resolution shall be sent to the United States Olympic  
11 Committee and to the Anchorage Organizing Committee.

ANALYSIS FOR HOUSE JOINT RESOLUTION 35

Urging the United States Olympic Committee to select Anchorage as the United States nominee for the site of the 1992 Winter Olympic Games

The Alaska State Legislature fully endorses the efforts of the Anchorage Organizing Committee to bring the 1992 Winter Olympic Games to the state and urges the U.S. Olympic Committee to select Anchorage as the United States nominee.

There is no fiscal impact.



Edwards  
409

Introduced: 5/1/85  
Referred: Finance

BY BINKLEY, SUND, ADAMS, ROUCHER,  
CATO, CLOCKSIN, COLLINS, COTTEN,  
DAVIS, DUNCAN, FRANK, FULLER,  
GOLL, GRUENBERG, GRUSSENDORF,  
HANLEY, HERRMANN, HURLEY, JENKINS,  
KOPONEN, LARSON, M.M. MILLER,  
M.W. MILLER, NAVARRE, PETTYJOHN,  
PIGNALBERI, POURCHOT, RIEGER,  
RINGSTAD, SZYMANSKI, TAYLOR,  
THOMPSON, UEHLING, WALLIS AND MARROU

1 IN THE HOUSE

2 HOUSE CONCURRENT RESOLUTION NO. 35

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 Relating to a legislative committee to  
6 study local option elections.

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

8 WHEREAS there is an ever increasing need to find solutions to problems  
9 associated with alcohol abuse in the state; and

10 WHEREAS the problems associated with alcohol abuse are particularly  
11 disruptive to rural communities; and

12 WHEREAS local option elections offer a means for rural communities to  
13 address local alcohol problems; and

14 WHEREAS the legislature desires to explore the advisability of local  
15 option elections on the question of banning possession of alcoholic  
16 beverages within a community;

17 BE IT RESOLVED by the Alaska State Legislature that under Uniform  
18 Rule 21 a joint special committee on local option laws is established  
19 consisting of three members of the senate appointed by the president of the  
20 senate and three members of the house of representatives appointed by the  
21 speaker of the house to hold public hearings in rural communities and to  
22 take testimony and collect data on the subject of local option elections on  
23 the question of banning possession of alcoholic beverages within a commun-  
24 ity; and be it

25 FURTHER RESOLVED that before the committee dissolves on the 10th day  
26 of the Second Session of the Fourteenth Legislature, it submit a written  
27 report to the legislature that addresses the merits of and makes recommen-  
28 dations concerning these local option elections.

29  
H

COMMITTEE COPY

ALASKA STATE LEGISLATURE

14th Legislature FIRST Session

CONCURRENT HOUSE RESOLUTION NO. 35

By BINKLEY, SUND, ADAMS, BOUCHER, CATO, CLOCKSIK, COLLINS, COTTEN, DAVIS, DUNCAN, FRANK, FULLER, GOLL, GRUENBERG, GRUSSENDORF, HANLEY, HERRMANN, HURLEY, JENKINS, KOPONEN, LARSON, M. M. MILLER, M. W. MILLER, NAVARRE, PETTYJOHN, PIGNALBERI, POURCHOT, RIEGER, RINGSTAD, SZYMANSKI, TAYLOR, THOMPSON, UEHLING, WALLIS, MARROU

Relating to a legislative committee to study local option elections.

Local Option Elections

Introduced in the House .. 5/1 .., 19.85

HISTORY IN THE HOUSE

19 85	Read first time and referred to Committee on
May 1	FINANCE
	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reconsideration
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reported correctly engrossed
	Signed by Speaker
	Sent to Senate
	CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19	Read first time and referred to Committee on
	Reported back with recommendation that
	Read second time and
	Read third time and
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reconsideration
	PASS Effective Date
	Yeas Yeas
	Nays Nays
	Absent Absent
	Excused Excused
	Reported correctly engrossed
	Signed by President
	Returned to House
	SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. ....

COMMITTEE COPY

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

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

**REQUEST**

Bill/Resolution No.: HCR 35  
 Title: Re: Legislative committee  
to study local option elections  
 Sponsor: Representative Binkley  
 Requestor: House Finance Committee  
 Date of Request: 5/3/85

**FISCAL DETAIL**

Agency Affected: Legislature  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

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

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL		-0-				
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		-0-				

<b>CAPITAL</b>						
----------------	--	--	--	--	--	--

<b>REVENUE</b>						
----------------	--	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

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

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

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

*APA*

Prepared By: Representative Adams - Chairman Phone: 465-3706  
 Division: House Finance Committee Date: 5/3/85

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

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

7/1/84

STATE OF ALASKA

MEMBER  
FINANCE COMMITTEE  
SPECIAL COMMITTEE ON FISHERIES



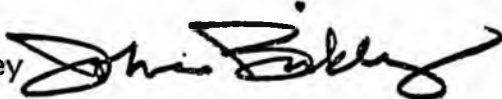
POUCH V  
JUNEAU ALASKA 99811  
(907) 465-4737

PO BOX 1065  
BETHEL ALASKA 99559  
(907) 43-2922

REPRESENTATIVE JOHNE BINKLEY

MEMORANDUM

TO: Representative Al Adams, Chairman                      DATE: May 3, 1985  
House Finance Committee

FROM: Representative Johne Binkley 

RE: HCR 35 - Relating to a legislative committee  
to study local option elections.

In 1980 the Alaska Legislature amended Title 4 of the Alaska Statutes to provide for local option elections in rural villages to control alcohol. The statute provides for four options:

- prohibition of sale of alcohol
- prohibition of sale and importation
- restriction of license by type
- restriction of sales through community stores

Since passage of the statutes a number of villages have elected to use the state law local options to prohibit sale and importation into the villages. By and large, these efforts have not been as successful as proponents of the legislation had envisioned.

Implementation of local option laws has been difficult. Under the current option prohibiting "sale and importation," a criminal prosecution must prove beyond a reasonable doubt that the accused actually imported the alcohol into the village. Such a conviction is impossible unless the accused is caught in the act of importing.

An option banning possession, however, is more readily provable. Either alcohol is present or it is not. Expanding the options available to communities under Title 4 to allow a fifth option to ban possession would more directly meet the needs and desires of many villages. It would simplify enforcement and close the loopholes in the current laws, and in some cases, encourage primary enforcement at the local level.

The attached letter from the Department of Law addresses the feasibility of revising the local option laws to include a ban on possession of alcohol. It specifically addresses concerns over the constitutionality of such an option, recommending that the legislature establish a comprehensive record of the compelling need for such an option.

Alcohol abuse continues to be the number one health and safety problem in our state. Clearly, existing laws have not provided satisfactory solutions. It is time to seek new solutions; I urge your support for HCR 35 creating a legislative committee to examine the merits and ramifications of local option and to make recommendations for the legislature's consideration early next year.

# STATE OF ALASKA

## DEPARTMENT OF LAW

### CRIMINAL DIVISION

April 16, 1985

BILL SHEFFIELD, GOVERNOR

REPLY TO:

OFFICE OF THE CHIEF PROSECUTOR  
POUCH KC  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3428

OFFICE OF SPECIAL PROSECUTIONS  
AND APPEALS  
1031 WEST 4TH AVENUE, SUITE 318  
ANCHORAGE, ALASKA 99501-5993  
PHONE: (907) 279-7424

Honorable John Binkley  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Binkley:

You have asked our advice regarding the feasibility of revising the local option laws to include a ban on the possession of alcohol as an option available to individual communities. Ordinarily, the best course of action would be to simply introduce a bill to fulfill this purpose and then pursue its passage in the usual manner. However, because of the various policy considerations which we previously have discussed, and particularly because of the significant potential for constitutional attack, we would recommend that a bill not be introduced until the proper groundwork has been laid by compiling a substantial factual record which will assist in both the passage and defense of the bill.

If a ban on possession of alcohol is instituted, the law will most certainly be challenged under Alaska's explicit constitutional right to privacy (Art. I, Sec. 22). It was under this constitutional provision that the Alaska Supreme Court in 1975 held that the state could not prohibit possession of marijuana by adults in their own homes for personal use. The court held that the state had not demonstrated the existence of a legitimate state interest which was strong enough to justify the regulation of this conduct. Ravin v. State, 537 P.2d 497 (Alaska 1975).

Although the Alaska Supreme Court has stated in Harrison v. State, 687 P.2d 332 (Alaska 1984) that there is no fundamental right to possess or consume alcohol, any ban on possession of alcohol would be challenged under Alaska's constitutional right to privacy. The test used by the court in Ravin read as follows:

It is appropriate in this case to resolve Ravin's privacy claims by determining whether there is a proper governmental interest in imposing restrictions on marijuana use and whether the means chosen bear

a substantial relationship to the legislative purpose. If government restrictions interfere with the individual's right to privacy, we will require that the relationship between means and ends be not merely reasonable but close and substantial.

In State v. Erickson, 574 P.2d 1 (Alaska 1978), the court applied the Ravin standard to a claim that the prohibition against cocaine possession and use in the home violated the right to privacy. The court noted, in its analysis, that a special protection is accorded to the home, stating that "where the right to privacy is manifested in terms of interests more squarely within personal autonomy, the balance [of the individual's interest in privacy and the government's interest in health and safety] requires a heavier burden on the state to sustain the legislation in light of the right involved." Erickson, 574 P.2d at 22 n. 144.

The court, in Harrison, has already recognized an unmistakable correlation between alcohol consumption and poor health, death, family violence, child abuse, and crime. The court expressly recognized the deleterious effects of consuming alcoholic beverages. The court also recognized that marijuana, and even cocaine (State v. Erickson, 574 P.2d 22 (Alaska 1978)), are less dangerous.

But it must be noted that the court in the Harrison case did not rule on the constitutionality of a complete ban on the possession of alcohol. They ruled that a ban on importation and distribution of alcohol did not violate Alaska's constitutional right to privacy. The court saw a definite relationship between a ban on importation and its ultimate effect on possession, but they also made it perfectly clear that the right to consume alcohol in the home was not directly at issue in this case. Harrison 687 P.2d at 338.

One way to enact a defensible law would be to establish a comprehensive legislative record of the compelling need for expanding the options available to include a complete ban on possession. That is, the legislature's consideration of the bill should include extensive public hearings, debate on the social policy merits of the proposal, and the collection of the most recent scientific, medical, and pharmacological studies regarding the physical, emotional, and social effects of alcohol consumption. If, after reviewing the data, the legislature concludes that the danger inherent in the consumption of alcohol, especially in the home, is significant enough to justify a complete ban on possession of alcohol, it makes it much easier for the court to uphold the constitutionality of the measure. In making its decision, the court can rely, to a great extent,

on the data collected, the findings made, and the strong legislative intent expressed.

If you desire to pursue this process, the following steps are recommended:

(1) A legislative resolution should be drafted which would (a) establish the desire of the legislature to seek new solutions to the alcohol abuse problem, especially in rural areas; (b) establish the desire of the legislature to explore the possibility of offering a local option to individual communities of a complete ban on possession of alcohol; (c) establish a select committee consisting of representatives from rural communities, the medical profession, social services agencies, law enforcement agencies, prosecution agencies, and the legislature; and (d) establish the mandate of this committee as examining the merits and ramifications of such a local option--with duties including the holding of public hearings, the collection of data, and the preparation of written recommendations for the legislature's consideration by the beginning of next session.

As we discussed at our lunch meeting with Mike Wallery, the appropriate places for these public meetings would be in areas such as the NANA region, the Bethel and St. Mary's region, the Tanana Chiefs Conference (TCC) region, the Southeast region and the Anchorage area. Also, as we discussed, sufficient publicity should be provided ahead of time which encourages community members to attend and testify--especially family members who have experienced the effects of alcohol abuse in their home and those persons who have had problems with alcohol themselves. Special effort should be made to notify representatives from the fields of law enforcement, prosecution, social work, alcohol counselling, and medicine.

Once the committee's written recommendations are submitted, they should be put in the form of legislative proposals. The legislative committee hearings on these legislative proposals should establish a good factual record--leading to the preparation and adoption of specific legislative findings. The legislative hearings will not be able to be as extensive as the public hearings held by the select committee, but the same type of testimony should be gathered, in summary form, which was used to substantiate the select committee's findings.

Once this process is completed, and all hearings and findings clearly establish that the danger of alcohol consumption in the home is significant, it will be much more difficult for the court to find that a ban on possession in the home does not bear a close and substantial relationship to the legislative purpose of protecting the public health and welfare. It will be difficult for the court to say that under Alaska's

constitution, the privacy interest in being able to have a glass of wine in one's own home outweighs the need to protect the public from harm to themselves and others.

For your information, a subcommission and public hearing process was also used to develop the revised criminal code in 1978. And furthermore, since the recriminalization of possession of small amounts of marijuana suffers the same potential of constitutional challenge, we have recommended a similar approach for that legislative proposal, as well. Another approach would entail the use of a legislative interim committee, instead of a select committee made up of community members with special expertise.

The Department of Law will be happy to review the resolution drafted by your Division of Legal Affairs and provide any other assistance needed.

Very truly yours,

NORMAN C. GORSUCH  
ATTORNEY GENERAL

DANIEL W. HICKEY  
CHIEF PROSECUTOR

By: 

Lisa B. Nelson

Assistant Attorney General

Introduced: 5/1/85  
Referred: Finance

BY BINKLEY, SUND, ADAMS, BOUCHER,  
CATO, CLOCKSIN, COLLINS, COTTEN,  
DAVIS, DUNCAN, FRANK, FULLER,  
GOLL, GRUENBERG, GRUSSENDORF,  
HANLEY, HERRMANN, HURLEY, JENKINS,  
KOPONEN, LARSON, M.M. MILLER,  
M.W. MILLER, NAVARRE, PETTYJOHN,  
PIGNALBERI, POURCHOT, RIEGER,  
RINGSTAD, SZYMANSKI, TAYLOR,  
THOMPSON, UEHLING, WALLIS AND MARROU

1 IN THE HOUSE

2

HOUSE CONCURRENT RESOLUTION NO. 35

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

Relating to a legislative committee to

6

study local option elections.

7

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

8

WHEREAS there is an ever increasing need to find solutions to problems

9

associated with alcohol abuse in the state; and

10

WHEREAS the problems associated with alcohol abuse are particularly

11

disruptive to rural communities; and

12

WHEREAS local option elections offer a means for rural communities to

13

address local alcohol problems; and

14

WHEREAS the legislature desires to explore the advisability of local

15

option elections on the question of banning possession of alcoholic

16

beverages within a community;

17

BE IT RESOLVED by the Alaska State Legislature that under Uniform

18

Rule 21 a joint special committee on local option laws is established

19

consisting of three members of the senate appointed by the president of the

20

senate and three members of the house of representatives appointed by the

21

speaker of the house to hold public hearings in rural communities and to

22

take testimony and collect data on the subject of local option elections on

23

the question of banning possession of alcoholic beverages within a commun-

24

ity; and be it

25

FURTHER RESOLVED that before the committee dissolves on the 10th day

26

of the Second Session of the Fourteenth Legislature, it submit a written

27

report to the legislature that addresses the merits of and makes recommen-

28

dations concerning these local option elections.



STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

6.6  
7/14  
SOPIS

REQUEST Page 1 of 2  
 Bill/Resolution No.: CS HCR 36 (Fin)  
 Title: Intrastate Air Travel  
 \_\_\_\_\_  
 Sponsor: Hermann ET AL.  
 Requestor: House Transportation  
 Date of Request: \_\_\_\_\_

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

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

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL		2.0				
CONTRACTUAL		48.0				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		50.0				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		50.0				
FEDERAL FUNDS						
OTHER						
TOTAL		50.0				

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

ANALYSIS : Attach a separate page if necessary

The funding identified above will allow development of study to evaluate whether the general trend of intrastate air fares are substantially higher than comparable route fares within other states. We will attempt on the basis of information available

Prepared by: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Division: \_\_\_\_\_ Date: \_\_\_\_\_  
 Approved by Commissioner: *R. J. Knapp* Date: 2/12/86  
 Agency: DOT&PF

Distribution (by Agency preparing fiscal note):

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

to make a preliminary recommendation as to the justification for any higher fares if the comparison indicates substantially higher fare costs within Alaska.

The study will identify if there are any state or federal laws regarding air fares that intrastate carriers may be violating and will identify options for legislative action if the study results indicate action is advisable.

ASSUMPTIONS:

1-3 are same

4. Consultant will not do any on-site inspections of airline operations. Instead, they will rely on any information airlines will divulge.

Cost Breakdown:

DOT&PF Costs for Consultant Selection	\$1,500
Travel for Selection Committee	
Graphics, Reproduction and Mail	
for Statement of Interest and RFP	500
	<u>\$2,000</u>

Consultant:

Staff time 45 days @ \$120.00/hr.	43,200
Graphics and Clerical for Report	3,000
Travel and Per Diem Allowance	1,800
	<u>\$48,000</u>

Total DOT&PF and Consultant Cost = \$50,000

Original sponsors: Herrmann, Wallis  
and Thompson

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 36 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Relating to intrastate airline travel.

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

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

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

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

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

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

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

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

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: 4/7/86

**REQUEST**

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

**FISCAL DETAIL**

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

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

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

<b>CAPITAL</b>		0	0	0	0	0
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<b>REVENUE</b>		0	0	0	0	0
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**FUNDING : (Thousands of Dollars)**

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

**POSITIONS :**

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

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

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

*APA*

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

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

Distribution (by Agency preparing fiscal note) :

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

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date : 4/7/86

**REQUEST**

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

**FISCAL DETAIL**

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

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

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES	-		0	0	0	0
TRAVEL				0	0	0
CONTRACTUAL				0	0	0
SUPPLIES				0	0	0
EQUIPMENT				0	0	0
LAND & STRUCTURES				0	0	0
GRANTS, CLAIMS				0	0	0
MISCELLANEOUS				0	0	0
TOTAL OPERATING				0	0	0
CAPITAL				0	0	0
REVENUE				0	0	0
<b>FUNDING : (Thous</b>						
GENERAL FUND				0	0	0
FEDERAL FUNDS				0	0	0
OTHER		0	0	0	0	0
TOTAL		0	0	0	0	0

*Prepared after bill reported out of comm. 4-7 did not accompany bill*

**POSITIONS :**

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

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

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

*APA*

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

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

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

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

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

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

**REQUEST**

Bill/Resolution No. : CS HCR36 (Trans)  
 Title : Intrastate Air Travel

Sponsor : Hermann ET AL.  
 Requestor : House Transportation  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

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

Components : \_\_\_\_\_

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

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL		2.0				
CONTRACTUAL		48.0				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		50.0				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING : (Thousands of Dollars)**

GENERAL FUND		50.0				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		50.0				

**POSITIONS :**

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

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

The funding identified above will allow development of study to evaluate whether the general trend of intrastate air fares are substantially higher than comparable route fares within other states. We will attempt on the basis of information available

Prepared by : \_\_\_\_\_ Phone : \_\_\_\_\_

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

Approved by Commissioner :  Date : 2/12/86

Agency : DOT&PF

Distribution (by Agency preparing fiscal note):

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

to make a preliminary recommendation as to the justification for any higher fares if the comparison indicates substantially higher fare costs within Alaska.

The study will identify if there are any state or federal laws regarding air fares that intrastate carriers may be violating and will identify options for legislative action if the study results indicate action is advisable.

ASSUMPTIONS:

1-3 are same

4. Consultant will not do any on-site inspections of airline operations. Instead, they will rely on any information airlines will divulge.

Cost Breakdown:

DOT&PF Costs for Consultant Selection	\$1,500
Travel for Selection Committee	
Graphics, Reproduction and Mail	
for Statement of Interest and RFP	<u>500</u>
	\$2,000

Consultant:

Staff time 45 days @ \$120.00/hr.	43,200
Graphics and Clerical for Report	3,000
Travel and Per Diem Allowance	<u>1,800</u>
	\$48,000

Total DOT&PF and Consultant Cost = \$50,000




## Dept. of Transportation & Public Facilities

# Position Paper

**BILL NO:** CSHCR 36 TRANS

**TITLE:** Intrastate Air Travel

**APPROVED:**   
R. G. Knapp  
Commissioner

**DATE:** 2/12/86

---

The Department supports the goals of this bill which we assume to be a concern for reducing, insofar as practicable, the costs for air travel within the State of Alaska. However, there is some question as to how involved the State should get in private industry decisions in a deregulated environment.

The DOT&PF has undertaken a cursory review of air fares for one airline only. This paper (attached) indicates that for one air carrier serving in and out of Alaska, the per mile fare is higher for routes within the State. In evaluating this information, however, it is crucial to consider the different characteristics of the individual routes involved (traffic loads, staging length, competition, etc.)

Part of this analysis also compared costs for in-State routes with costs for routes of comparable length in the lower 48 states. In general, it appeared that the in-State routes were quite comparable and, in some cases, lower than the lower 48 routes of comparable length.

This information is very cursory and cannot be viewed as conclusive, but it does indicate that if there is unfair pricing within the State, it will likely be very difficult to prove.

The DOT&PF will administer the study suggested in HCR 36 if the Legislature deems it advisable. A description of the study is shown on the accompanying fiscal note.

7/14 \* 50000

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

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

**REQUEST** Page 1 of 2

Bill/Resolution No. : CS HCR 36 (Trsp)  
 Title : Intrastate Air Travel

---

Sponsor : Hermann ET AL.  
 Requestor : House Transportation  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

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

---

Components : \_\_\_\_\_

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

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PERSONAL SERVICES						
TRAVEL		2.0				
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GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>50.0</b>				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING : (Thousands of Dollars)**

GENERAL FUND		50.0				
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>50.0</b>				

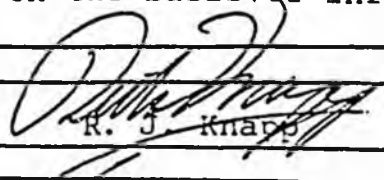
**POSITIONS :**

FULL-TIME		0				
PART-TIME		0				
TEMPORARY		0				

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

The funding identified above will allow development of study to evaluate whether the general trend of intrastate air fares are substantially higher than comparable route fares within other states. We will attempt on the basis of information available

Prepared by : \_\_\_\_\_ Phone : \_\_\_\_\_  
 Division : \_\_\_\_\_ Date : \_\_\_\_\_

  
 R. J. Knapp

Approved by Commissioner : \_\_\_\_\_ Date : 2/12/86  
 Agency : DOT&PF

Distribution (by Agency preparing fiscal note):

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

to make a preliminary recommendation as to the justification for any higher fares if the comparison indicates substantially higher fare costs within Alaska.

The study will identify if there are any state or federal laws regarding air fares that intrastate carriers may be violating and will identify options for legislative action if the study results indicate action is advisable.

**ASSUMPTIONS:**

1-3 are same

4. Consultant will not do any on-site inspections of airline operations. Instead, they will rely on any information airlines will divulge.

**Cost Breakdown:**

DOT&PF Costs for Consultant Selection	\$1,500
Travel for Selection Committee	
Graphics, Reproduction and Mail	
for Statement of Interest and RFP	<u>500</u>
	\$2,000

**Consultant:**

Staff time 45 days @ \$120.00/hr.	43,200
Graphics and Clerical for Report	3,000
Travel and Per Diem Allowance	<u>1,800</u>
	\$48,000

Total DOT&PF and Consultant Cost = \$50,000

- D R A F T -

ALASKA/LOWER 48 STATES AIR FARES

DOT&PF - STATEWIDE AVIATION

December 2, 1985

I. INTRODUCTION

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

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

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

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

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

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

TABLE I  
RA  
AVERAGE COACH AND SUPERSAVER  
FARES/MILE

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

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

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

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

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

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

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

### III. AIR FARES,

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

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

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

TABLE II  
COMPARISON OF RA FARES TO OTHER AIRLINES' FARES

<u>RA Route</u>	<u>Approximate Stage Length</u>	<u>RA Coach Fare/Mile</u>	<u>Other Airlines' Average Coach Fare/Mile for Lower 48 Routes of Comparable Length</u>
Anchorage-Seattle	1450 miles	\$.22	\$.24
Fairbanks-Seattle	1550 miles	.25	.23
Juneau-Seattle	900	.25	.22
Ketchikan-Seattle	650	.27	.30
Anchorage-Deadhorse	627	.38	.36
Anchorage-Petersburg	677	.20	.36
Anchorage-Sitka	592	.22	.36
Anchorage-Wrangel	700	.27	.36
Anchorage-Bethel	500	.25	.42
Anchorage-Fairbanks	500	.21	.42
Anchorage-Nome	530	.37	.42
Anchorage-Kotzebue	540	.36	.42

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

#### IV. CONCLUSIONS

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

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

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

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

TW/sg

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

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

## Coach Air Fare Comparison

Page 2

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

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

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

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



ALASKA STATE LEGISLATURE  
HOUSE OF REPRESENTATIVES  
RESEARCH AGENCY

ACR 36

Pouch Y. State Capitol  
Juneau, Alaska 99811  
(907) 465-3991

July 3, 1985

MEMORANDUM

TO: Representative Adelheid Herrmann

FROM: Jonathan Sherwood  
Legislative Analyst

RE: Airfares in Rural Alaska  
Research Request 85-345

You requested that we provide information on the rise in airfare for routes in rural Alaska, and on the costs and other factors associated with such rises. We have examined an informal survey of rural airfares provided by the U.S. Department of Transportation and contacted individuals familiar with rural airlines operation and obtained the following information.

Recent Trends in Rural Airfares

It was the consensus among the individuals I contacted that, taken as a whole, rural airfares have not increased substantially during the last few years. Dianna Strain, Transportation Analyst for the U.S. Department of Transportation, provided an informal survey of rural airfares which compared rural airfares in 1982, 1983, and 1985 for over 100 routes (see attachment). The points included in the survey are locations designated "Essential Air Service Communities" under Section 419 of the Airline Deregulation Act of 1978. While it should be emphasized that the results of this survey are not conclusive, they are somewhat indicative of overall trends in rural airfares.

My review of the survey indicates that, based on data from 75 routes, the cost per mile of rural air travel increased at an annual rate of 3.7 percent between 1982 and 1985.<sup>1</sup> Based on data from 86 routes,

<sup>1</sup>Fares were not available for all points for all years. Some routes were excluded because of inadequacy in the data. In addition, I compared fares only between the same carrier or comparable carriers. Discussions with officials in air transportation indicated that jet travel is priced at a premium compared to prop aircraft. While it is not possible to determine which aircraft are used on a particular route, I did not compare airlines which use jets extensively to those which do not.

rural airfares increased at an annual rate of 2.6 percent from 1983 to 1985. One reason why the rate of increase is greater for the 1982 to 1985 period is that the period includes an increase in the federal tax on airfares of 3 percent. The annual growth rate between 1982 to 1985 drops to 2.7 percent when this tax increase is factored out.

It should be noted that although the overall growth in rural airfares was small for the periods of comparison, airfares increased sharply on some routes. For example, fares for 39 of the 75 routes (52 percent) compared between 1982 and 1985 increased. Almost all of these increased by at least 10 percent; more than half increased by more than 25 percent (or 7.7 percent annual growth) and six of the routes increased by over 50 percent (or 14 percent annual growth). However, these increases were partially offset by many instances of sharp decreases in fares on other routes.

Between 1982 and 1985, four of the airlines whose fares were included in the survey went bankrupt. It is interesting to note that all six of the fares that increased by more than 50 percent in this period involved routes that were initially served by one of the bankrupt carriers. Three of these routes are in the Kodiak area and three routes were in the Interior.

~~According to Dianna Strain, the overall increases in rural airfares were less than the increases in fares of larger national and regional carriers over the same period of time. In comparison to rural airfares, Alaska Airlines reported a 10 percent increase in base fares in 1983 and a 12 percent increase in 1984. Thus, over roughly the same period that rural airfares were increasing by 2.6 percent annually, a national carrier operating in Alaska was increasing fares by 11 percent annually.~~

Ted Lamb, with Seair Alaska, stated that one of the reasons rural airfares generally have not increased significantly is that there are currently too many seats available among rural carriers for all of the carriers to operate profitably. Currently, airlines are trying to capture a market share in recognition that not all existing carriers will be able to sustain profitable operations. Bob Jacobson, of Wings of Alaska and President of the Alaska Air Carriers Association, stated that because of deregulation, there are now more carriers and more competition. He noted that many carriers are operating with little or no profit margin.

Mr. Jacobson also cited stable insurance rates as a factor contributing to the small growth in rural airfares. Over the last few years, accident rates had been improving and rates have stabilized. However, he

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<sup>2</sup>Alaska Airlines, Annual Report 1984, p.9.

noted that accident rates appear to be increasing this year and carriers could be faced with increases in insurance rates in the near future.

#### Discount Fares

Recently, major, national, and some regional airlines have begun offering very low discount fares. These fares, which are usually less than one-half the regular fare, make it possible for some people to fly most of the larger routes in the country for a significantly lower fare than was previously available. However, these fares usually have several restrictions; a limited number of such fares are available for each flight, reservations and payment must be made well in advance, and penalties are imposed for any changes or cancellations.

According to Dianna Strain, the larger carriers are offering these discount fares for competitive reasons. According to Alaska Airlines, the "discount fares implemented in early 1985...are expected to stimulate additional travel without affecting yields materially."<sup>3</sup> It would appear that these fares are intended to capture marginal fliers, not lower the cost of flying for the larger public.

Ms. Strain noted that although rural airlines generally have not instituted these fares, some carriers are instituting other types of discount fares to compete in their own markets. For example, Seair is offering a one-half price fare on some of its routes for tickets purchased after 4 p.m. on the day before the flight. Ted Lamb stated that rural carriers currently offer discounts to capture a larger market share; however, he questioned whether rural carriers could afford to offer discounts indefinitely, given the current financial status of many carriers.

#### Costs of Operation for Rural Airlines

According to Ted Lamb, the cost of operating large commercial jet aircraft is significantly less than operating small aircraft when compared on a per-seat basis. Mr. Jacobson noted that insurance costs are a greater factor for small rural airlines in Alaska than for large carriers. Mr. Lamb acknowledged that some of the cost disadvantages of small carriers are offset by lower labor costs per hour; however, he did not believe that these costs would be lower if they were also computed on a per-seat basis. According to Dianna Strain, some rural airlines do price their fares below jet fares on the same route, but

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<sup>3</sup>Alaska Airlines, Annual Report 1984, p.9.

Representative Herrmann  
July 3, 1985  
Page Four

she explained that this was a competitive move, intended to offset the market's preference for jets, and it did not reflect lower operating costs.

\* \* \*

I hope that you find this information useful. If you have any questions, or if we can be of further assistance to you, please do not hesitate to contact us.

JS

Attachment

SURVEY OF PASSENGER COACH FARES AS PUBLISHED IN THE OAG

A COMPARISON BETWEEN MAY 1982 AND MAY 1983

The attached tabulation is an informal survey of passenger fares to Alaskan essential air service communities from their respective service hubs. The data was for the most part extracted from the May 1982 and May 1983 issues of the Official Airline Guide.

Southeast is currently being served by carriers who were subcontractors for Alaska Airlines. On a per mile basis, fares appear to be approximately 34% higher in Southeast over comparable stage lengths in the Bethel or Fairbanks bush.

Wien has competition at most bush points and remains the sole monopoly carrier at seven jet points and fewer than 15 bush points. Wien's May 1983 fares are approximately 9½% higher than SEAIR's in the Bethel bush and 21½% higher than Munz Northern in the Nome and Kotzebue bush. In 1982, when Air North was a relatively new 401 entrant in the Fairbanks, Bettles, Fort Yukon and Galena bush markets, their fares were substantially lower than Wien's. By May 1983, Air North had matched Wien's fares in all but seven markets. To meet Wien, Air North's fares have risen for the most part from 20 to 30%.

The purpose of this informal study is to compare fares a few months after tariff deregulation. It appears that most fares have not taken a substantial increase. The few isolated instances are primarily out of Juneau, and points where Wien is either the monopoly carrier, or where Wien's only competitor is also a Wien subcontractor, and as such charges the same fare as Wien.

Reeve's fares increased an average of 10½%, except a less than 3% increase for Dutch Harbor, the only Reeve market served by a competitor, Airpac.

SEAIR, Kodiak Western, Munz Northern, Peninsula and Yute have all had increases which average slightly less than 3% which offsets the tax increase of October 1982.

Peninsula's fares in 1982 were almost double what Kodiak Western charged in the King Salmon area.

Alaska's jet fares increased an average of 8% with the exception of Yakutat which increased about 20%.

Wien's fare increases appear to be patterned on competition rather than anything else. For the most part Wien did not increase their Bethel bush fares and in fact lowered several. Where Wien competes with Air North, fares increased by \$2, \$4, or \$7, however, Wien also had a few 12% decreases. A \$4 increase seems the most popular with Wien rather than a percentage. Wien's increases in the Nome and Kotzebue bush vary from seven to thirty-six percent. A glance at the June issue OAG indicates that Wien is lowering many of these fares with the advent of competition with Alaska Airlines in the Nome and Kotzebue bush. Wien's monopoly point Wainwright increased by 53% from May 1982 to May 1983, the largest single percentage increase of the points surveyed.

ALASKAN CARRIERS

AS - Alaska Airlines, Inc.  
IH - Channel Flying, Inc.  
JF - L.A.B. Flying Service, Inc.  
KJ - Sea Airmotive, Inc.  
KN - Tyee Airlines, Inc. *Bought by Trans Alaska*  
KO - Kodiak Western Alaska Airlines, Inc. *Chapt-7*  
KS - Peninsula Airways, Inc.  
RV - Reeve Aleutian Airways, Inc.  
WC - Wien Air Alaska, Inc. *Chapt-11*  
XG - Air North *Chapt-7*  
XX - Valdez Airlines *Chapt-7*  
XY - Munz Northern Airlines, Inc. - *Bought by Ryan Air*  
4Y - Yute Air Alaska, Inc.  
6D - Alaska Island Air, Inc.  
BF - MARK AIR  
2E - HEIMENS AIR  
7H - HAROLD'S AIR  
6C - CAPE JIM THE

HUB POINTS

ADQ - Kodiak, Alaska  
AKN - King Salmon, Alaska  
ANC - Anchorage, Alaska  
BET - Bethel, Alaska  
BRW - Barrow, Alaska  
BTT - Bettles, Alaska  
CDB - Cold Bay, Alaska  
CDV - Cordova, Alaska  
DLG - Dillingham, Alaska  
FAI - Fairbanks, Alaska  
FYU - Fort Yukon, Alaska  
GAL - Galena, Alaska  
JNU - Juneau, Alaska  
KSM - St. Mary's, Alaska  
KTN - Ketchikan, Alaska  
OME - Nome, Alaska  
OTZ - Kotzebue, Alaska  
PSG - Petersburg, Alaska  
UNK - Unalakleet, Alaska

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 published in the OAG

	HUB	CARRIERS	MAY 1982 FARE	MAY 1983 FARE	INCREASE	% INCREASE	great circle miles	d per mile	May 1985 \$ per m. l.e.
ADK	ANC	RV	379.00	419.00	.40.00	10.55	1192	.35	395 <sup>00</sup> RV .33
AKK	ADD	KO	53.48	55.00	1.52	2.84	84	.65	50 <sup>00</sup> KT .60
KKT	BET	<del>KT</del> WC	<del>19.00</del> 21.00	<del>19.55</del> 21.00	<del>.55</del> 0	<del>2.89</del> 0	16	<del>1.22</del> 1.31	
AKT	BFT	<del>KJ</del> WC	<del>19.00</del> 21.00	<del>19.55</del> 21.00	<del>.55</del> 0	<del>2.89</del> 0	22	<del>.88</del> .95	
KQA	CDB	RV	75.50	84.00	11.50	15.23	143	.58	34 <sup>00</sup> RV .59
AUK	KSM	WC	45.00	49.00	4.00	8.88	61	.80	49 <sup>00</sup> 2E .80
WKK	DLG	4Y	21.00	21.60	.60	2.85	17	1.27	20 <sup>00</sup> 4Y 1.18
AET	BTT	WC   XG	<del>28.00</del> WC	<del>31.88</del> XG	3.88	13.85	40	.79	
ABL	OTZ	<del>XY</del> WC	<del>60.00</del> 68.00	<del>61.70</del> 74.00	<del>1.70</del> 6.00	<del>2.83</del> 8.82	130	<del>.47</del> .56	
NO SERVICE REQUIRED UNDER EAS									
AOS	ADD	KO	32.10	33.00	.90	2.80	54	.61	57 <sup>00</sup> KT 1.06
AXP	BTT	<del>XG</del> WC	<del>59.00</del> 68.00	<del>70.00</del> 70.00	<del>11.00</del> 2.00	<del>18.64</del> 2.94	85	<del>.82</del> .82	
ANT	ANC	WC	132.00	143.00	11.00	8.33	318	.44	134 <sup>00</sup> AS .42
AGN	JNU	<del>IH</del> AS	<del>53.00</del> AS	<del>57.00</del> IH	4.00	7.54	59	.96	60 <sup>00</sup> IH 1.02
LAKATLA) ANN	KTN	<del>AS</del> KN	<del>25.00</del> AS	<del>25.00</del> KN	0	0	22	1.13	15 <sup>00</sup> KN .68
ANV	ANI	WC	56.00	61.00	5.00	8.92	77	.79	
ARC	FYU	<del>XG</del> WC	<del>50.00</del> 59.00	<del>61.00</del> 61.00	<del>11.00</del> 2.00	<del>22</del> 3.38	108	<del>.56</del> .56	
ATK	No service OAG								
ATT	BET	<del>KJ</del> WC	<del>19.00</del> 24.00	<del>19.55</del> 21.00	<del>.55</del> -3.00	<del>2.89</del> -12	16	<del>1.22</del> 1.31	
ATU	ANC	No service OAG							
W BRW	FAT	WC	147.00	159.00	12.00	8.16	503	.31	250 <sup>00</sup> BF .50
AKTOVIK) BTI	FAT	<del>XG</del> WC	<del>99.00</del> 114.00	<del>100.00</del> 100.00	<del>1.00</del> -14.00	<del>1.01</del> -12.28	386	<del>.25</del> .25	
WBO	FAT	<del>XG</del> WC	<del>54.00</del> 62.00	<del>69.00</del> 69.00	<del>7.00</del> 7.00	<del>11.29</del> 11.29	108	<del>0</del> .63	.34
RFT	<del>ANC</del> BFT	<del>KJ</del> WC	<del>75.00</del> 135.00	<del>97.72</del> 146.00	<del>2.72</del> 11.00	<del>2.86</del> 8.14	399	<del>.24</del> .36	134 <sup>00</sup> BF AS SPECIAL FARE 61 <sup>00</sup> .17
BTT	FAT	<del>XG</del> WC	<del>72.00</del> 84.00	<del>75.00</del> 75.00	<del>3.00</del> -9.00	<del>4.16</del> -10.71	179	<del>.41</del> .41	
NO SERVICE REQUIRED UNDER EAS									

	HUB	CARRIERS	MAY 1982 FARE	MAY 1983 FARE	± INCREASE	% INCREASE	great circle miles	1983 \$ per mile	May 1985	1985 \$ per mile
1	KRC	FYU	XG WC 26.25 / 30.00	34.00 / 34.00	7.75 / 4.00	29.52 / 13.33	27	1.25 / 1.25		
	BDW	CDV	radi OAG							
	KTS	OME	XY WC 45.00 / 56.00	46.30 / 60.00	-1.30 / 4.00	2.88 / 7.14	104	.72 / .93	40 <sup>00</sup> AS	.63
	BKC	OTZ	XY WC 40.00 / 45.00	41.15 / 49.00	1.15 / 4.00	2.87 / 8.88	75	.54 / .65	40 <sup>00</sup> AS	.53
	CDL	OME/OTZ	radi OAG							
	LUR	OTZ	XY WC 80.00 / 98.00	82.30 / 106.00	2.30 / 8.00	2.87 / 8.16	165	.49 / .64	80 <sup>00</sup> AS	.48
	EHM	BET	KS WC 59.00 / 68.00	60.70 / 67.00	1.70 / -1.00	2.88 / -1.47	148	.41 / .45		
	CZF	BET	KS WC 59.00 / 64.00	60.70 / 67.00	1.70 / -1.00	2.88 / -1.47	156	.38 / .42		
	CYT	CDV	radi OAG							
	CEM	FAT	XG WC 44.00 / 50.00	54.00 / 54.00	10.00 / 4.00	22.72 / 8	174	.51 / .51	50 <sup>00</sup> 4H	.48
	CTK	FYU	XG WC 26.25 / 30.00	34.00 / 34.00	7.75 / 4.00	29.52 / 13.33	41	.82 / .82		
	WCR	BTT	radi OAG							
	CYM	JNU	radi OAG							
	KCN	DUT	radi OAG							
	VAK	BET	KS WC 52.00 / 60.00	53.48 / 59.00	1.48 / -1.00	2.84 / -1.66	136	.37 / .43	57 <sup>00</sup> AS	.43
	CKX		radi OAG							
	CYF	BET	KS WC 42.00 / 48.00	43.20 / 48.00	1.20 / 0	2.85 / 0	90	.48 / .53	48 <sup>00</sup> AS	.53
	KCG	PTH								
	KCE	PTH	radi OAG							
	KCL	PTH								
	CZV	CDV	radi OAG							
	CXC	CDV								
	CRC	FAT	XG WC 44.00 / 50.00	54.00 / 54.00	10.00 / 4.00	22.72 / 8	131	.41 / .41	57 <sup>00</sup> 4H	.45
35	CHP	FAT	XG WC 44.00 / 50.00	54.00 / 51.00	10.00 / 4.00	22.72 / 8	106	.50 / .50		
	CLP	DLG	4Y 50 21.00 / 14.88	21.60 / 21.60	.60 / 7.02	2.85 / 48.14	14	1.54 / 1.34	20 <sup>00</sup> 4Y	1.43
	CDB	ANC	B 256.00	283.00	27.00	10.54	621	.45	270 <sup>00</sup> 4V	.47



	HUB	CARRIERS	82 FARE	83 FARE	\$ INCREASE	% INCREASE	great circle miles	1983 per mile	May 1985	1985 \$ per mile
	GST	JNU	LM AS set 45.00 / 42.00	54.00 / 45.00	9.00 / 3.00	20 / 7.14	41	1.31 / 1.09	60° AS	1.46
	HNS	JNU	JF 43.00 / 30.00	JF 55.00 / 60.00	12.00 / 30.00	27.90 / 70	70	.78 / .85	65° AS	.93
	HWT	TNU	NAB OAG				-	-		
	HAY	OMP	NAB OAG				-	-		
ER)	HZA	FAT	N.A. OAG				-	-		
	HCR	ANT	WC 35.00	39.00	4.00	11.42	43	.90		
	HOM	ANC	VC 43.35	44.60	1.25	2.88	117	.38	60° AS	.51
	HNH	JNU	JF SE 37.00 / 53.00	45.00 / 42.00	8.00 / 9.00	21.62 / 27.27	35	1.28 / 1.20	47° AS	1.34
	HPB	BET	KS WC 52.00 / 60.00	53.48 / 59.00	1.48 / -1.00	2.84 / -1.66	153	.34 / .38	57° AS	.39
	HUS	GAL	XG WC - / 61.00	64.00 / 69.00	- / 8.00	- / 13.11	119	.53 / .57	79° 4H	.66
	HSL	GAL	XG WC - / 35.00	39.00 / 39.00	- / 4.00	- / 11.42	109	.56 / .56	45° 4H	.65
	HYG	KTAI	KN AS 53.00 / 55.00	55.00 / -	2.00 / -	3.77 / -	47	1.17 / -	45° KN	.96
	TCY	CDV	NAB OAG				-	-		
	IGG	AKN	KO/KS KO	KS			52		40° KS	.77
	ILT	ANC	WC 75.00	81.00	6.00	8	195	.41	81° AS	.42
	KTB	PTH	NAB OAG				-	-		
	KAE	PSG	AS/6D 41.00	44.28	3.28	8	40	1.10		
	<del>KAE</del>	NO SERVICE REQUIRED UNDER EAS					-	-		
	KLG	ANI	WC 24.00	28.00	4.00	16.66	26	1.07		
	KAL	GAL	XG WC - / 33.00	39.00 / 39.00	4.00 / 4.00	11.42 / 11.42	61	.63 / .63	45° 4H	.74
	KYK	ADQ	KO 36.94	37.99	1.05	2.84	74	.51	50° K.S	.68
	ENA	ANC	KS WC 20.00 / 35.00	20.57 / 33.42	- / -	- / -	60	Varies .34 to .55	37° AS	.62
	KTN	SEA	AS 149.00	156.00	7.00	4.69	679	.22	184° AS WA	.27
	IAN	OTZ	XY WC 40.00 / 45.00	41.15 / 49.00	1.15 / 9.00	2.87 / 8.88	59	.69 / .83	40° AS	.68
	KVC	CDB	RV 38.00	42.00	4.00	10.52	19	2.21	42° RV	2.21
	KPN	BET	KS 47.00 / 48.00	43.20 / 48.00	1.20 / -	2.85 / -	96	.45 / .50		

	HUB	CARRIERS	82 FARE	83 FARE	+	% INCREASE	great circle miles	¢ per mile	May 1985	1985 ¢ per mile	
	KKB	ADQ	KO	21.40	22.00	.60	2.80	31	.70	34 <sup>00</sup> KJ	1.10
	KVL	OTZ	<del>KY WC</del>	<del>50.00</del> <del>56.00</del>	<del>51.43</del> <del>61.00</del>	<del>1.43</del> <del>3.00</del>	<del>2.86</del> <del>2.92</del>	78	<del>.65</del> <del>.78</del>		
	KLW	KTN	<del>KN AS</del>	<del>53.00</del> <del>53.00</del>	<del>55.00</del> <del>-</del>	<del>2.00</del> <del>-</del>	<del>3.77</del> <del>-</del>	58	<del>.74</del> <del>-</del>	50 <sup>00</sup> KN	.86
	OBV	OTZ	<del>XY WC</del>	<del>65.00</del> <del>75.00</del>	<del>66.85</del> <del>84.00</del>	<del>1.85</del> <del>7.00</del>	<del>2.84</del> <del>12</del>	156	<del>.42</del> <del>.53</del>		
	KGK	DLG	<del>4Y KO</del>	<del>35.00</del> <del>33.05</del>	<del>36.00</del> <del>34.00</del>	<del>1.00</del> <del>.95</del>	<del>2.85</del> <del>2.97</del>	69	<del>.52</del> <del>.49</del>		
	KKH	BET	<del>KJ WC</del>	<del>42.00</del> <del>56.00</del>	<del>43.20</del> <del>48.00</del>	<del>1.20</del> <del>-8.00</del>	<del>2.85</del> <del>-14.28</del>	76	<del>.56</del> <del>.63</del>		
	KOT	KSM	WCP	56.00	61.00	5.00	8.92	68	.89	61 <sup>00</sup> 2E	.70
	KKA	OME	<del>XY WC</del>	<del>75.00</del> <del>82.00</del>	<del>77.14</del> <del>-</del>	<del>2.14</del> <del>-</del>	<del>2.85</del> <del>-</del>	130	<del>.59</del> <del>-</del>		
	KYU	CAL	<del>XG WC</del>	<del>-</del> <del>24.00</del>	<del>27.00</del> <del>28.00</del>	<del>-</del> <del>4.00</del>	<del>-</del> <del>16.66</del>	25	<del>1.08</del> <del>1.12</del>	32 <sup>00</sup> 4H	1.28
	KWT	BET	<del>KJ WC</del>	<del>19.00</del> <del>21.00</del>	<del>19.53</del> <del>21.00</del>	<del>.53</del> <del>0</del>	<del>2.89</del> <del>A</del>	13	<del>1.50</del> <del>1.61</del>		
	KWK	BET	<del>KJ WC</del>	<del>42.00</del> <del>56.00</del>	<del>43.20</del> <del>48.00</del>	<del>1.20</del> <del>-8.00</del>	<del>2.85</del> <del>-14.28</del>	80	<del>.54</del> <del>.60</del>	48 <sup>00</sup> AS	.60
	EMK	KSM	WC	45.00	49.00	4.00	8.16	63	.77	49 <sup>00</sup> 3E	.78
INAGAK	KUN	BET	<del>KJ WC</del>	<del>34.00</del> <del>40.00</del>	<del>34.97</del> <del>40.00</del>	<del>1.97</del> <del>0</del>	<del>5.79</del> <del>0</del>	71	<del>.49</del> <del>.56</del>		
	LMA	FAT	<del>XG WC</del>	<del>68.00</del> <del>45.00</del>	<del>69.90</del> <del>49.00</del>	<del>1.90</del> <del>4.00</del>	<del>2.79</del> <del>2.88</del>	148	<del>.47</del> <del>.33</del>	75 <sup>00</sup> 4H	.51
	KLN	ADQ	KO	44.72	46.00	1.28	2.86	58	.79	40 <sup>00</sup> KJ	.69
	ALZ	ADQ	KO	53.48	55.00	1.52	2.84	89	.61	74 <sup>00</sup> KJ	.83
	KLK	AKN	<del>KJ KO</del>	<del>50.00</del> <del>18.47</del>	<del>51.43</del> <del>-</del>	<del>1.43</del> <del>-</del>	<del>2.86</del> <del>-</del>	31	<del>1.65</del> <del>-</del>	40 <sup>00</sup> KJ	1.29
NGS	MLY	FAT	<del>XG WC</del>	<del>30.00</del> <del>35.00</del>	<del>37.00</del> <del>37.00</del>	<del>7.00</del> <del>3.00</del>	<del>23.33</del> <del>5.71</del>	83	<del>.44</del> <del>.44</del>		
	KMO	DLG	<del>4Y KO</del>	<del>21.00</del> <del>14.58</del>	<del>21.60</del> <del>15.00</del>	<del>.60</del> <del>.42</del>	<del>2.85</del> <del>2.88</del>	20	<del>1.08</del> <del>.75</del>	20 <sup>00</sup> 4Y	1.00
A LEDGE	FTL	BET	<del>KJ WC</del>	<del>48.00</del> <del>56.00</del>	<del>47.37</del> <del>55.00</del>	<del>1.37</del> <del>-6.00</del>	<del>2.85</del> <del>-1.78</del>	75	<del>.65</del> <del>.73</del>		
	MYK	CDV	<del>Non</del>	<del>in</del> OAG				-	-		
	MXV	CDV	<del>Non</del>	<del>in</del> OAG				-	-		
	MCG	ANC	WC	79.00	73.00*	-6.00	-7.59	221	.33	84 <sup>00</sup> AS	* fare planned to \$3.00 ... NOV 82 -- 4.11
	MDR	MCG	<del>Non</del>	<del>in</del> OAG				-	-		
	MYA	BET	<del>KJ WC</del>	<del>52.00</del> <del>60.00</del>	<del>53.48</del> <del>59.00</del>	<del>1.48</del> <del>-1.00</del>	<del>2.84</del> <del>-1.66</del>	154	<del>.34</del> <del>.38</del>	59 <sup>00</sup> AS	.38

	HUB	CARRIERS	82 FARE	83 FARE	3 INCREASE	4 INCREASE	great circle miles	4 Per mile	May 1985	1985 \$ Per Mile
MNT	EAT	XG WC	27.00	33.90	3.00	11.11	39	.86		
KMY	ADQ	KO	53.48	55.00	1.52	2.84	64	.85	67 <sup>00</sup> KJ	1.05
MOU	KSM	WC	24.00	28.00	4.00	16.66	14	2.00		
	NO SERVICE	REQUIRED	UNDER EAS							
NKK	AKN	Not in OAG								
WALA	BET	KJ WC	19.00 21.00	19.55 21.00	.55 2.89	11	1.77 1.90			
PKA	BET	KJ WC	19.00 21.00	19.55 21.00	.55 2.89	6	3.25 3.50			
	NO SERVICE	REQUIRED	UNDER EAS							
KNW	DLG	4Y KO	20.00 25.27	20.57 26.00	.57 .63	50	.41 .52			
WWT	BET	KJ WC	42.00 48.00	43.20 48.00	1.20 2.85	96	.45 .50	48 <sup>00</sup> AS	.50	
WTK	OTZ	XY WC	40.00 45.00	41.15 49.00	1.15 4.00	48	.85 1.02	40 <sup>00</sup> AS	.83	
ORV	OTZ	XY WC	35.00 40.00	36.00 43.00	1.00 3.00	43	.83 1.00	35 <sup>00</sup> AS	.81	
AND	NO SERVICE	REQUIRED	UNDER EAS							
	NO SERVICE	REQUIRED	UNDER EAS							
NUL	GAL	KG WC	24.00	27.00 28.00	4.00 16.66	34	.79 .82	32 <sup>00</sup> 4H	.94	
NUP	BET	KJ WC	19.00 21.00	19.55 21.00	.55 2.89	23	.85 .91			
ZNC	ANI	Not in OAG								
OLH	ADQ	KO	36.85	38.00	1.05	2.84	49	.77	30 <sup>00</sup> KJ	.61
KOY	ADQ	KO	53.48	55.00	1.52	2.84	77	.71	66 <sup>00</sup> KJ	.86
KOZ	ADQ	KO	14.58	15.00	.42	2.88	11	1.36	20 <sup>00</sup> KJ	1.81
KPK	ADQ	KO	44.72	Not in OAG			57		60 <sup>00</sup> KJ	1.05
	NO SERVICE	REQUIRED	UNDER EAS							
PEC	JNU	IH AS	63.00	68.00	5.00	7.93	167	1.01	72 <sup>00</sup> IH	1.07
KPV	PTH	Not in OAG								
PSG	JNU	AS	62.00	67.00	5.00	8.06	123	.54		
PIK	AKN	KO	45.00	82.30 47.00	2.30 1.30	2.84 2.84	84	.97 .55	80 <sup>00</sup> KS	.95