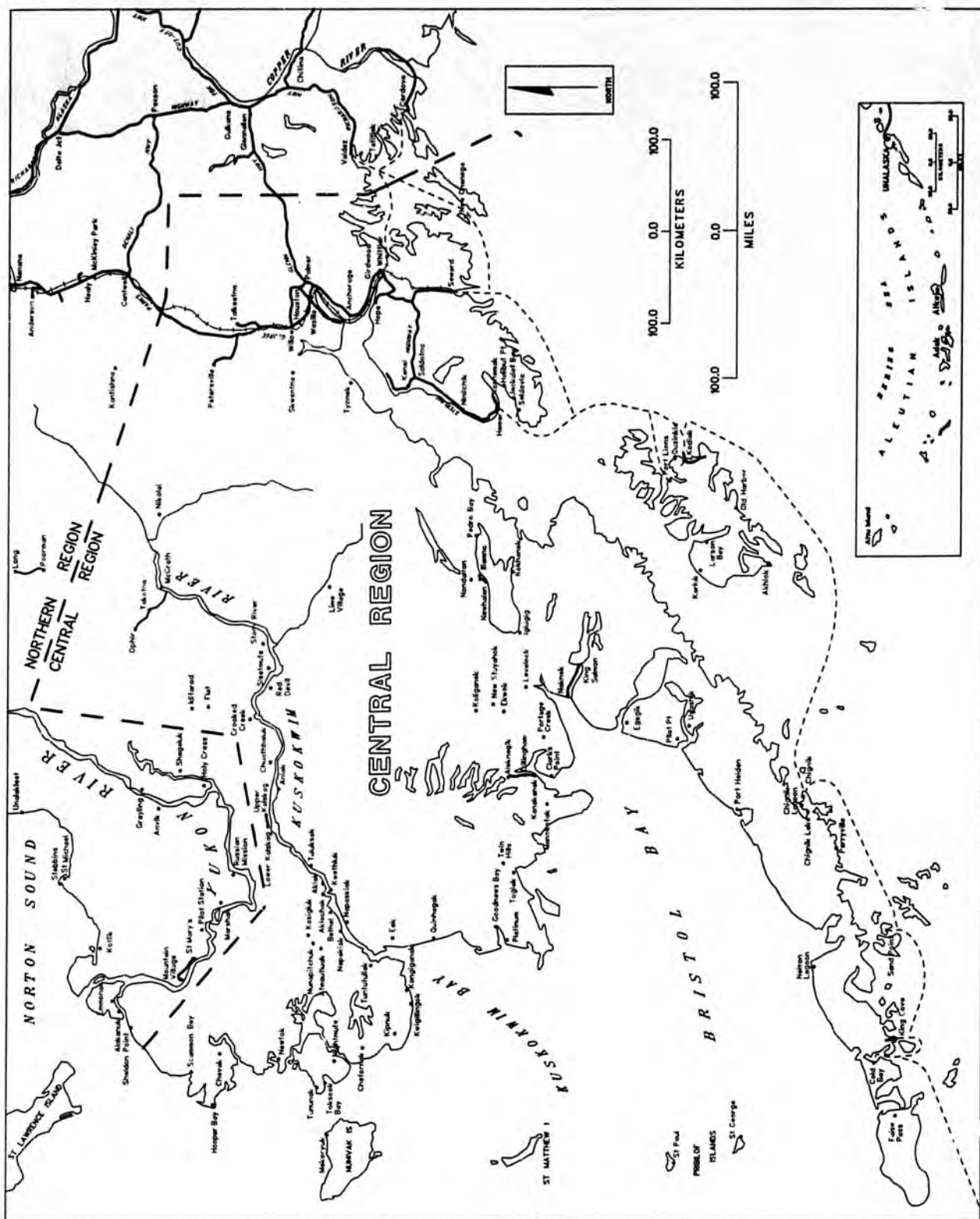


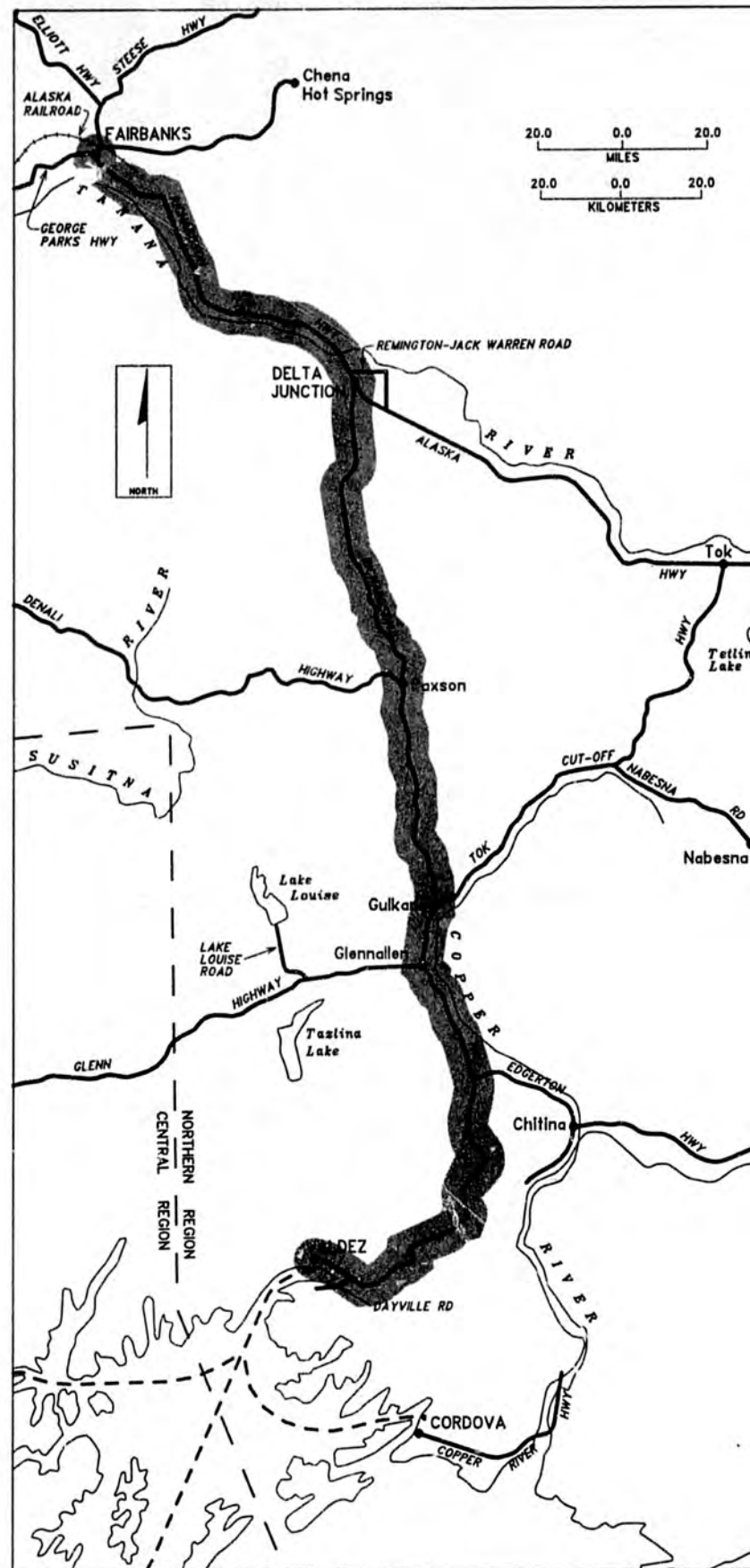
ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 8672

2400 SCOMM 101 LONG RANGE FINANCIAL PLANNING COMMISSION, 1995

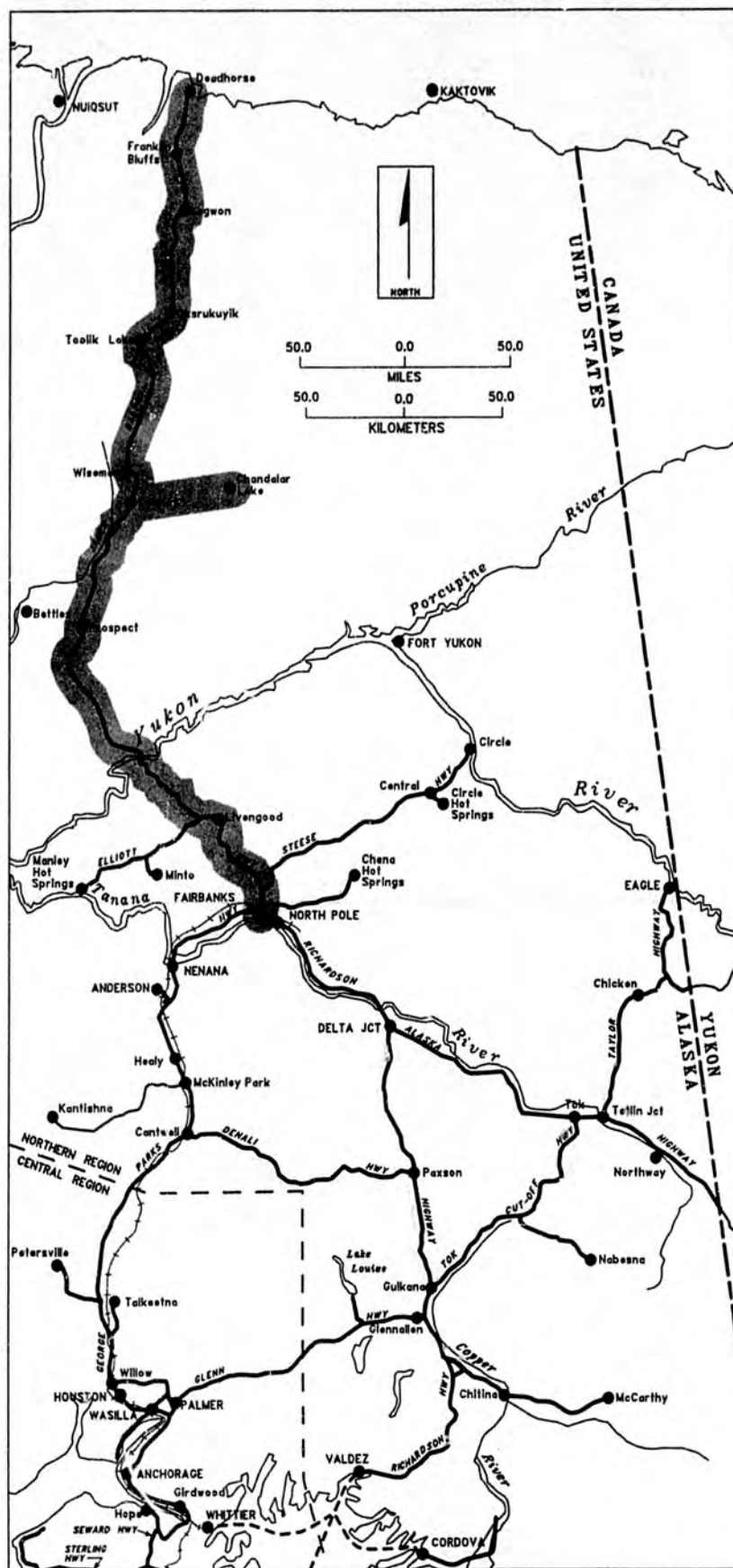


Rural community transportation systems include all transportation facilities in and around a community with the exception of inter-community travel corridors. Included are community and subdivision roads, streets, sidewalks, trails and bike paths. Also included are access to local resources, such as gravel pits and wood cutting areas. Other routes included are connections to airports, barge landings, boat launches and port facilities, sanitation roads to landfills and sewage treatment facilities, roads to water sources, schools, cemeteries, recreation areas and other community facilities.

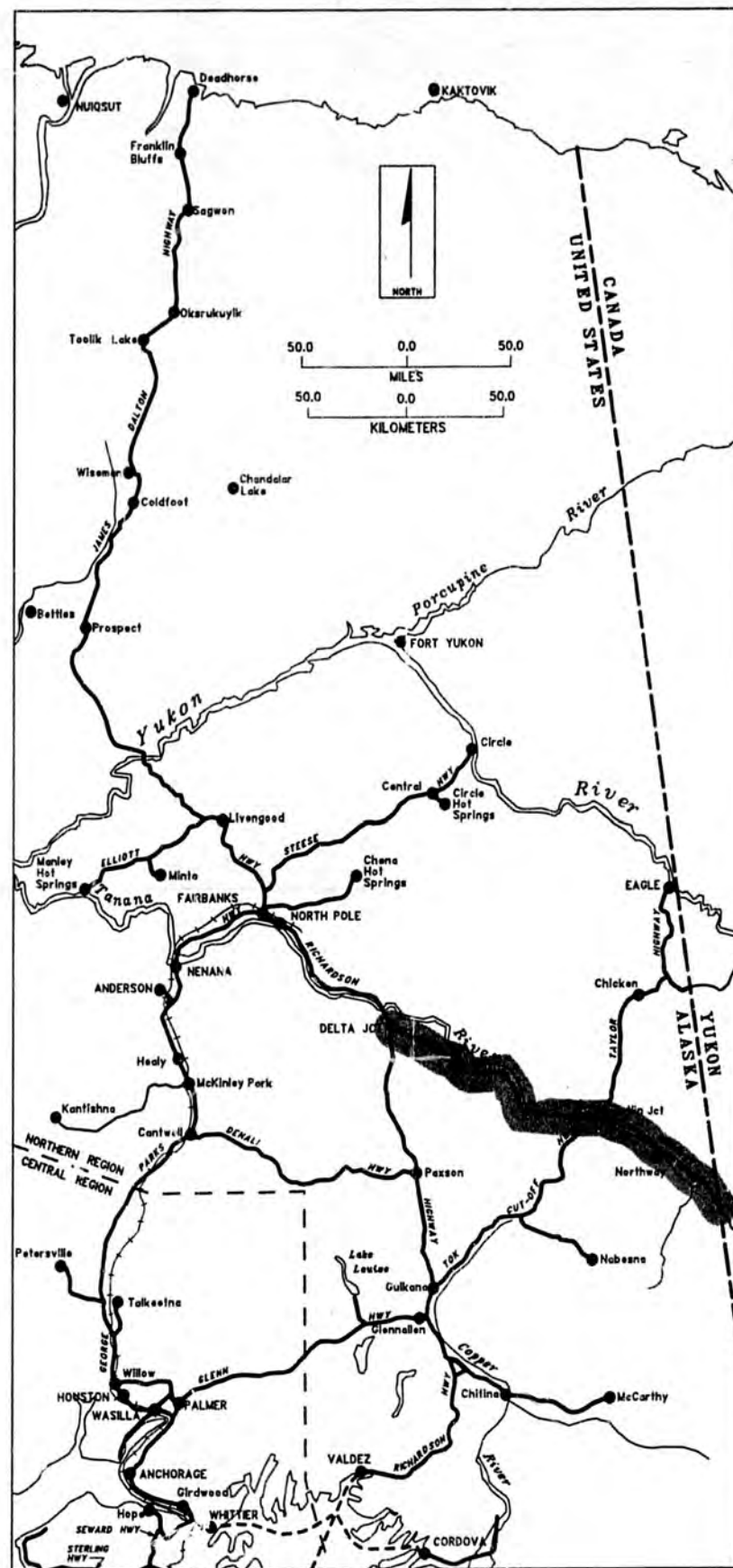
Rural Community Transportation Systems



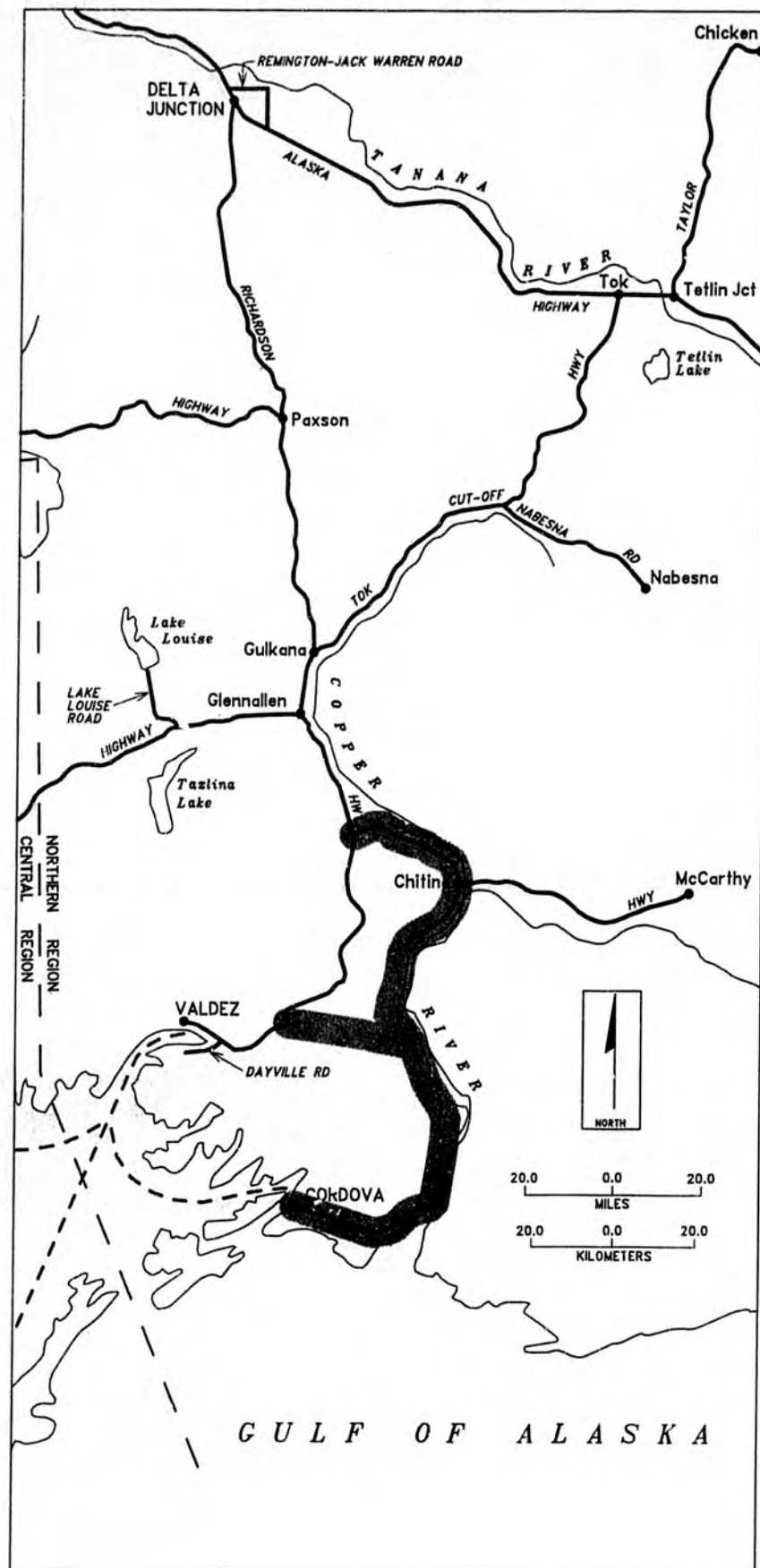
Fairbanks - Valdez Corridor



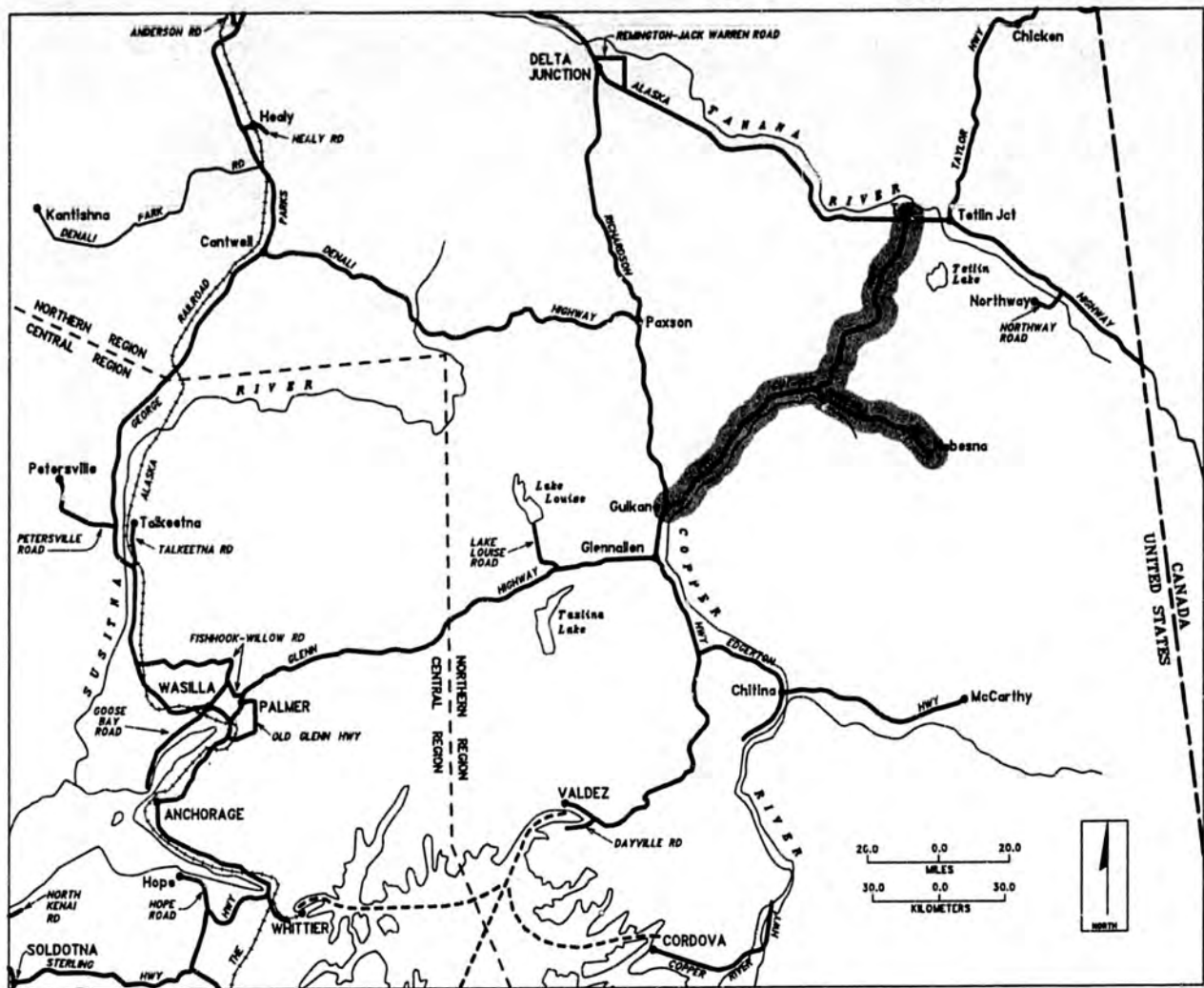
Fairbanks - Prudhoe Bay Corridor



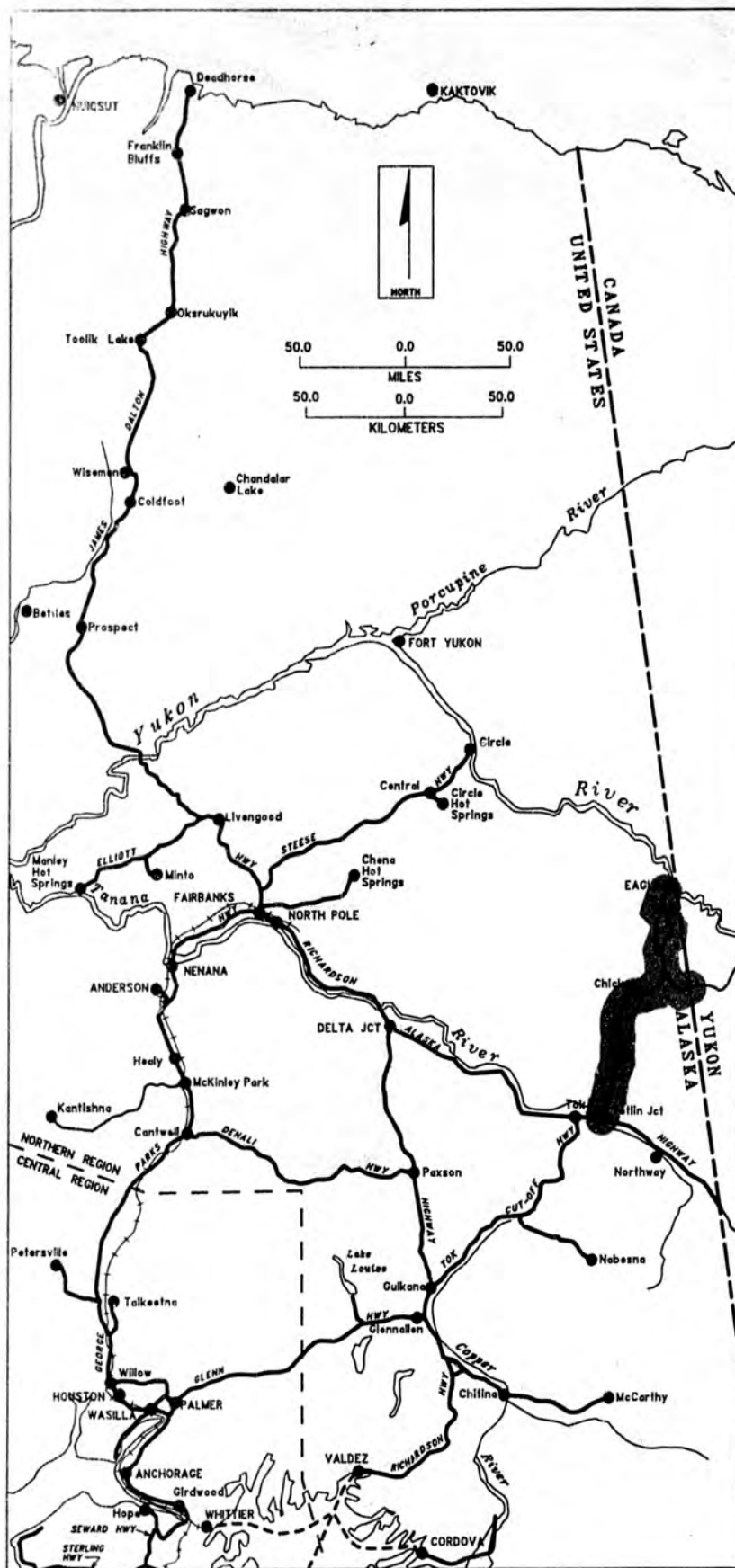
Delta Junction - Canadian Border Corridor



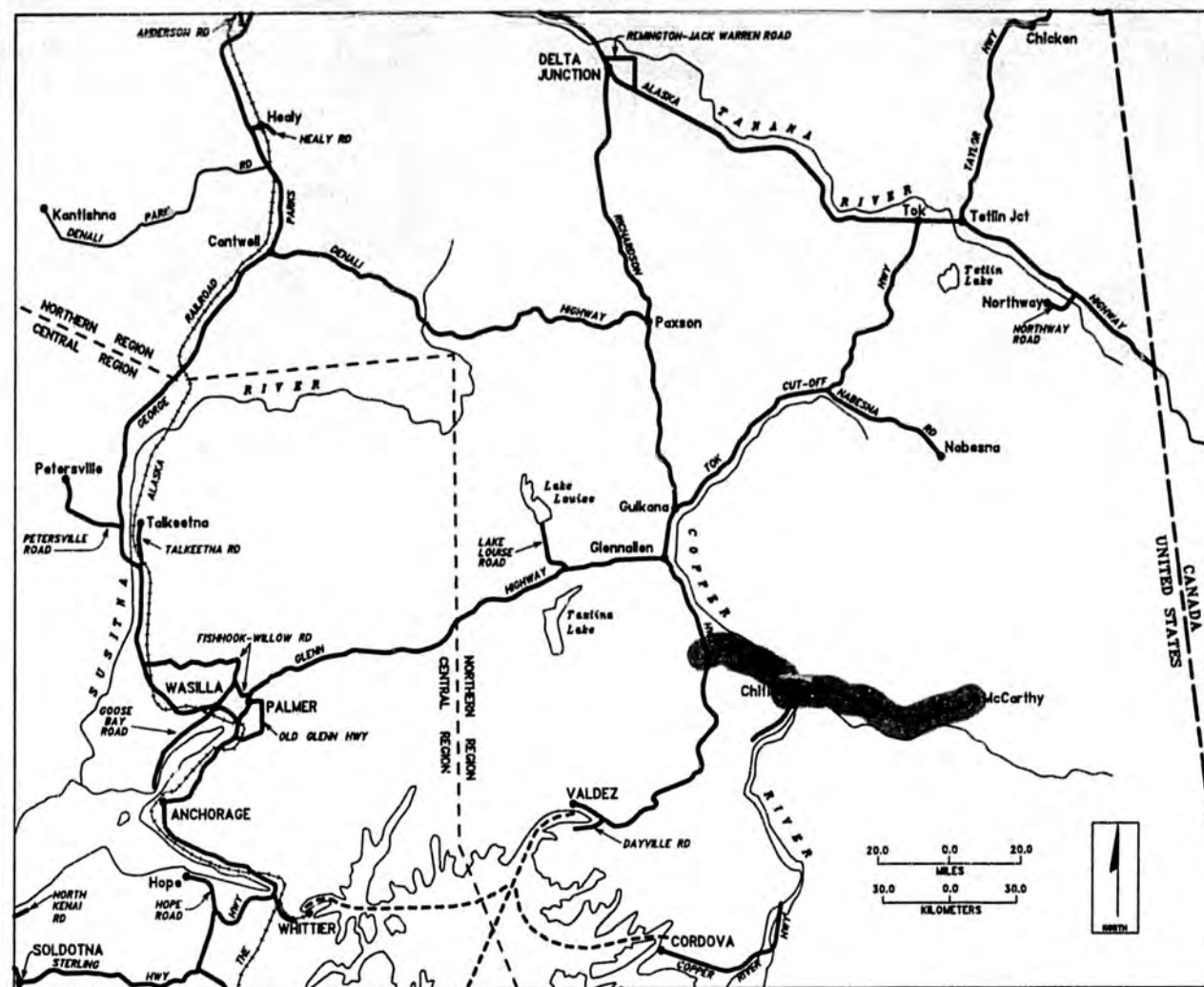
Copper River Corridor



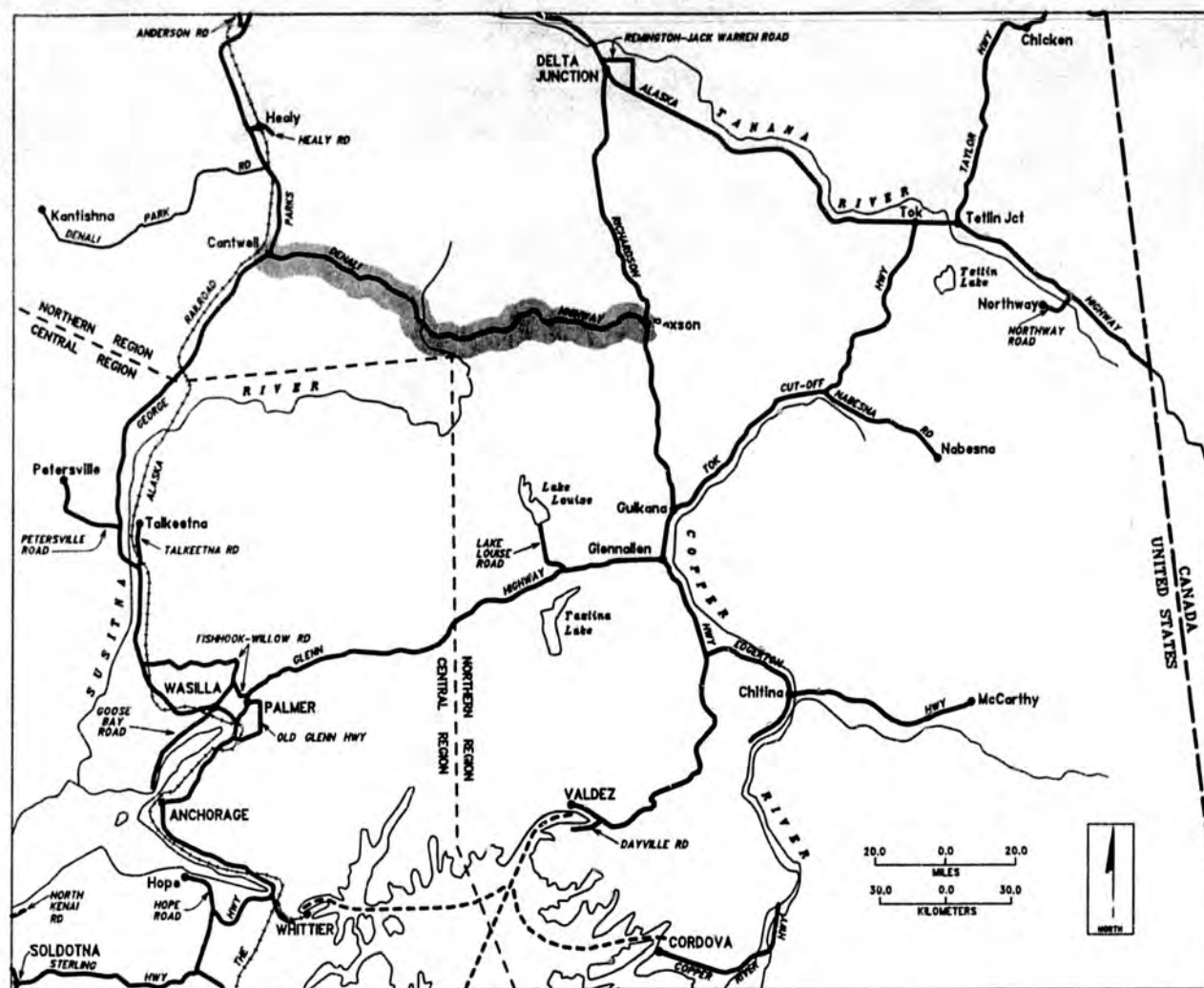
Glennallen - Tok Corridor



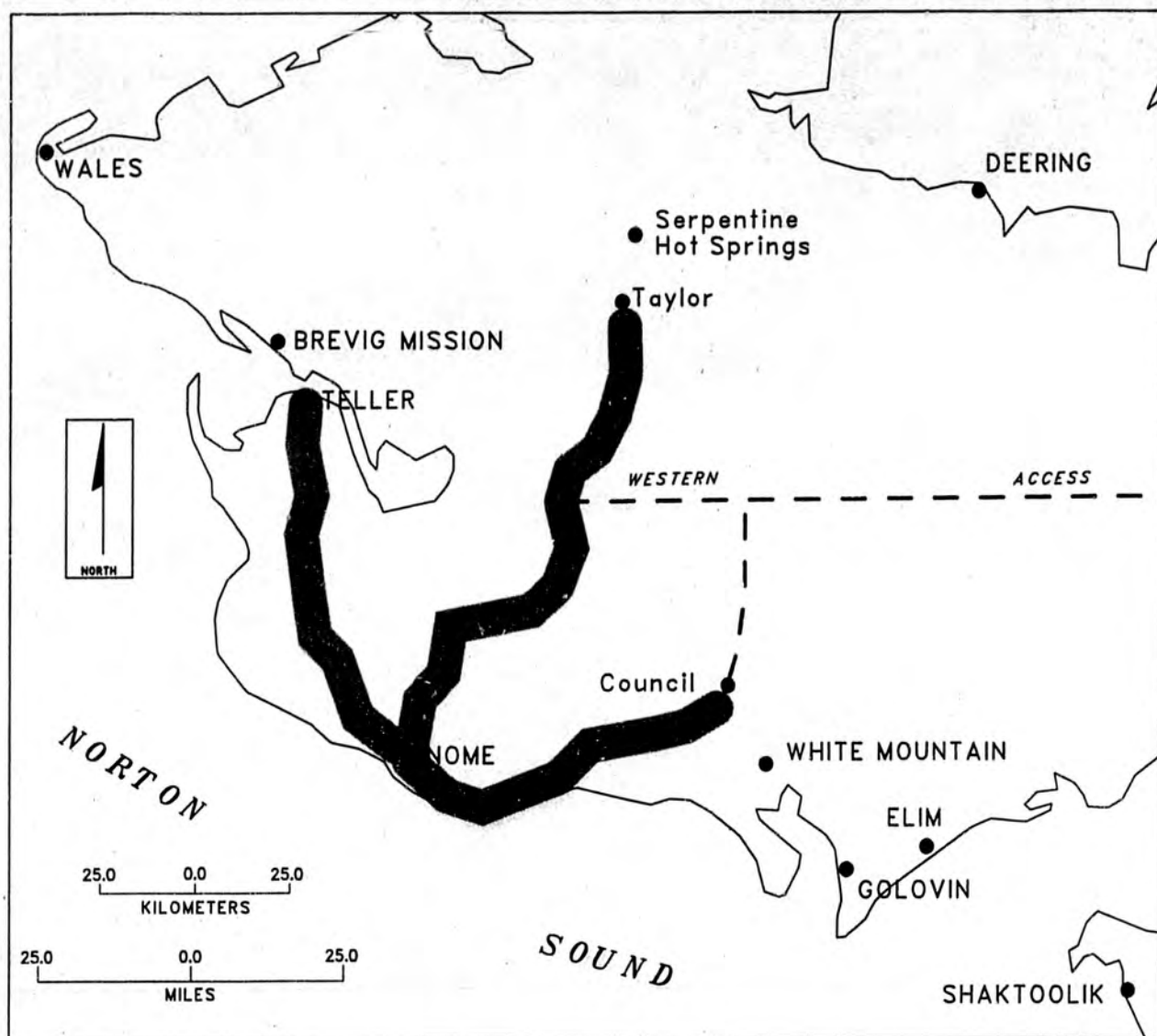
Forty Mile Corridor

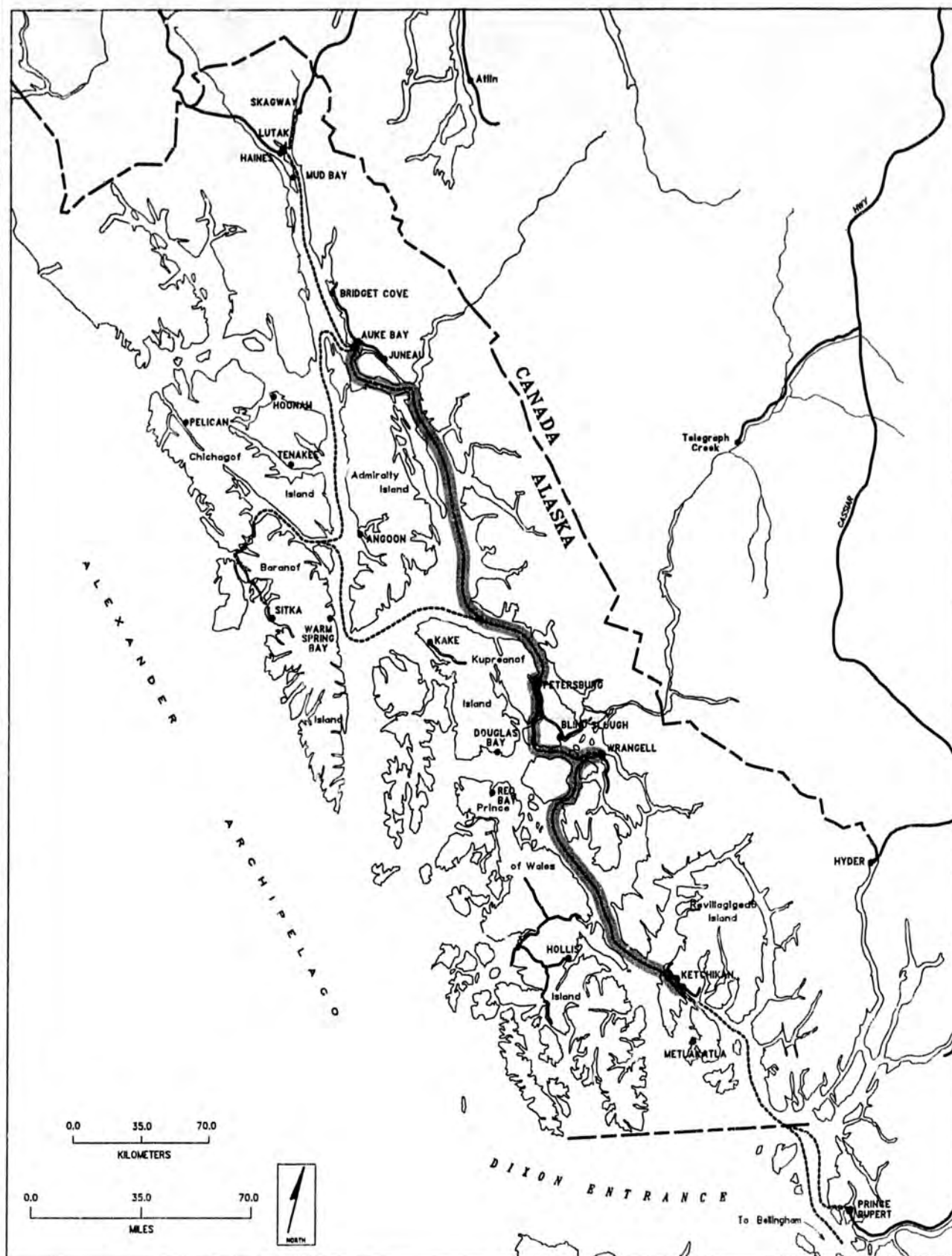


Richardson Highway - McCarthy Corridor

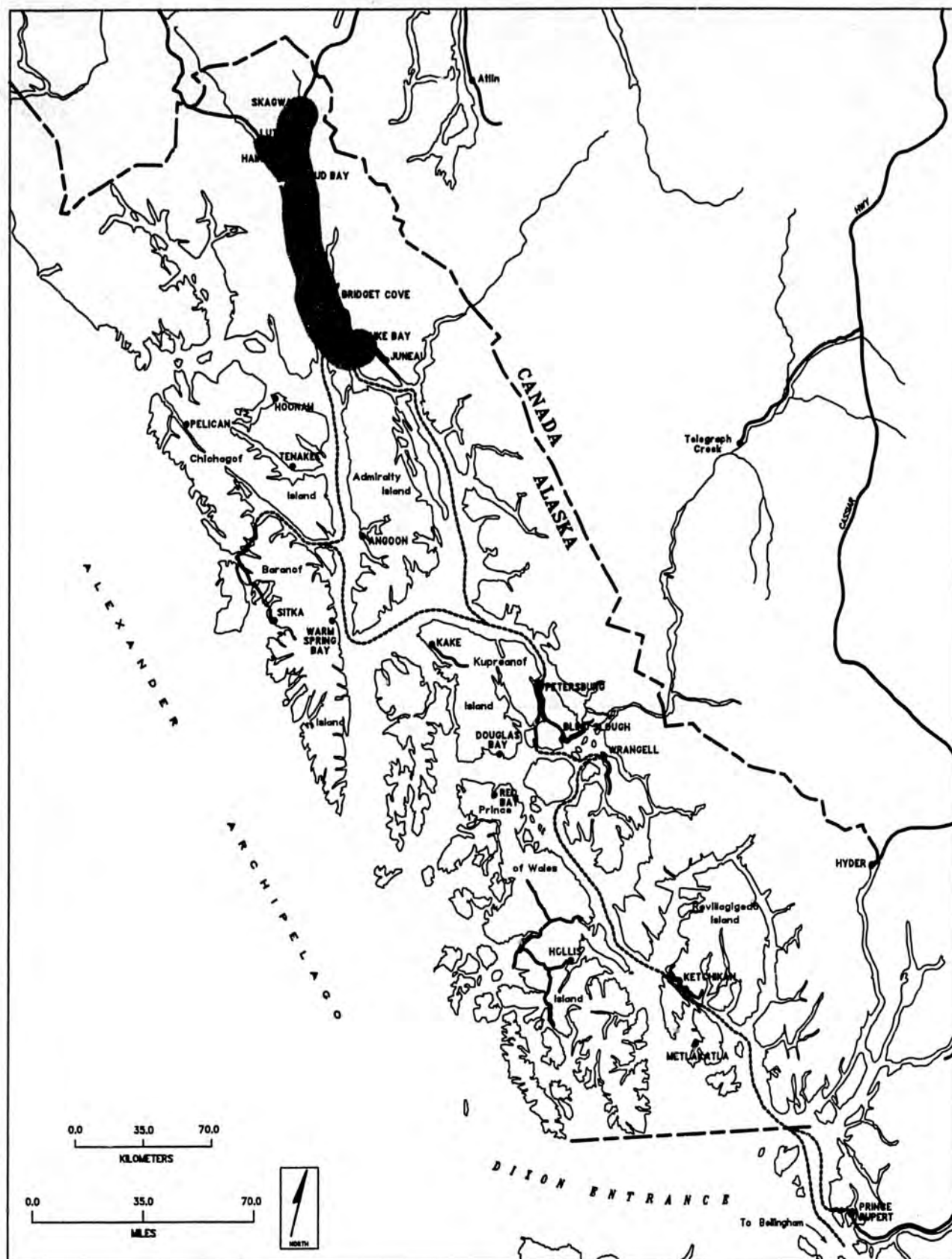


Paxson - Cantwell Corridor

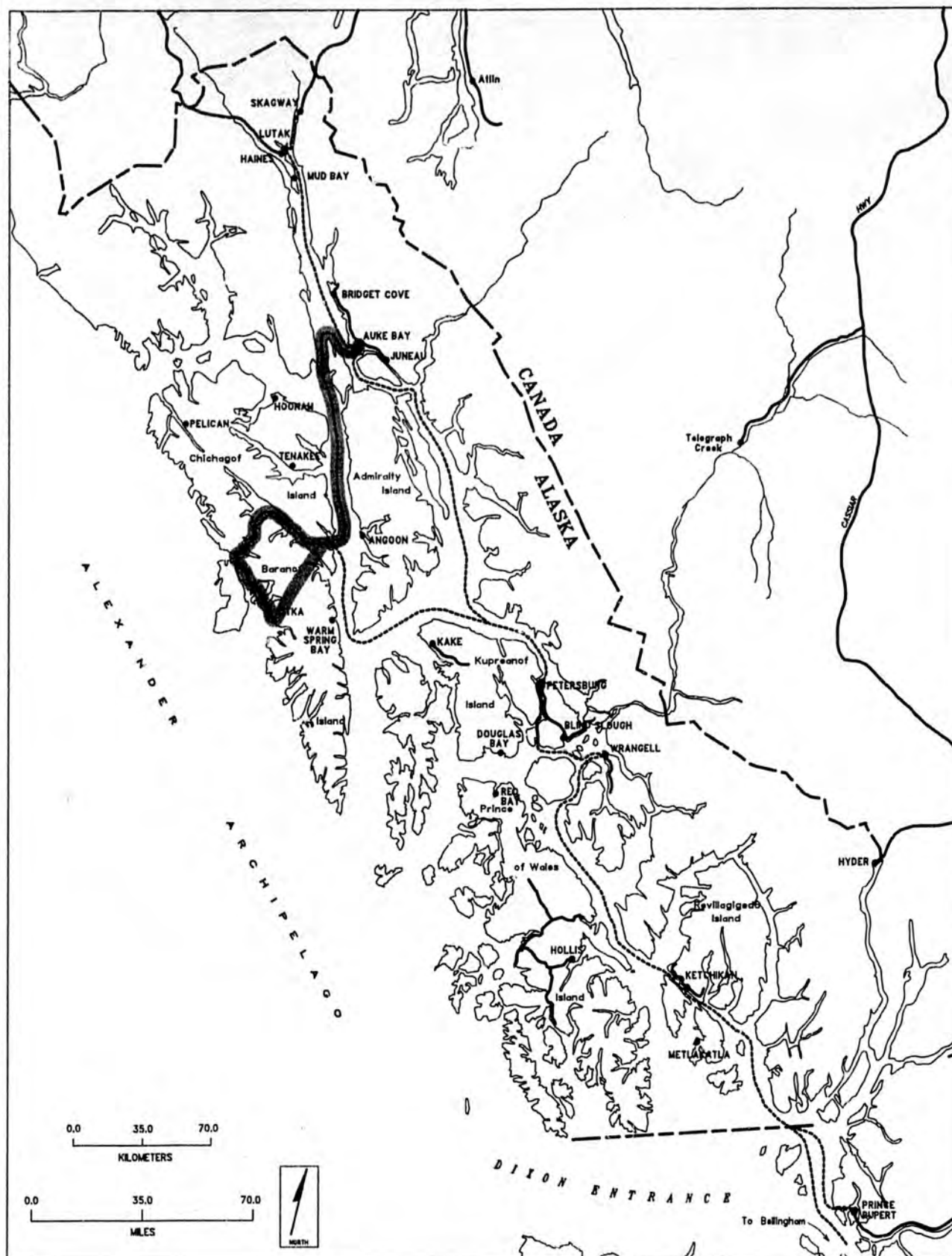




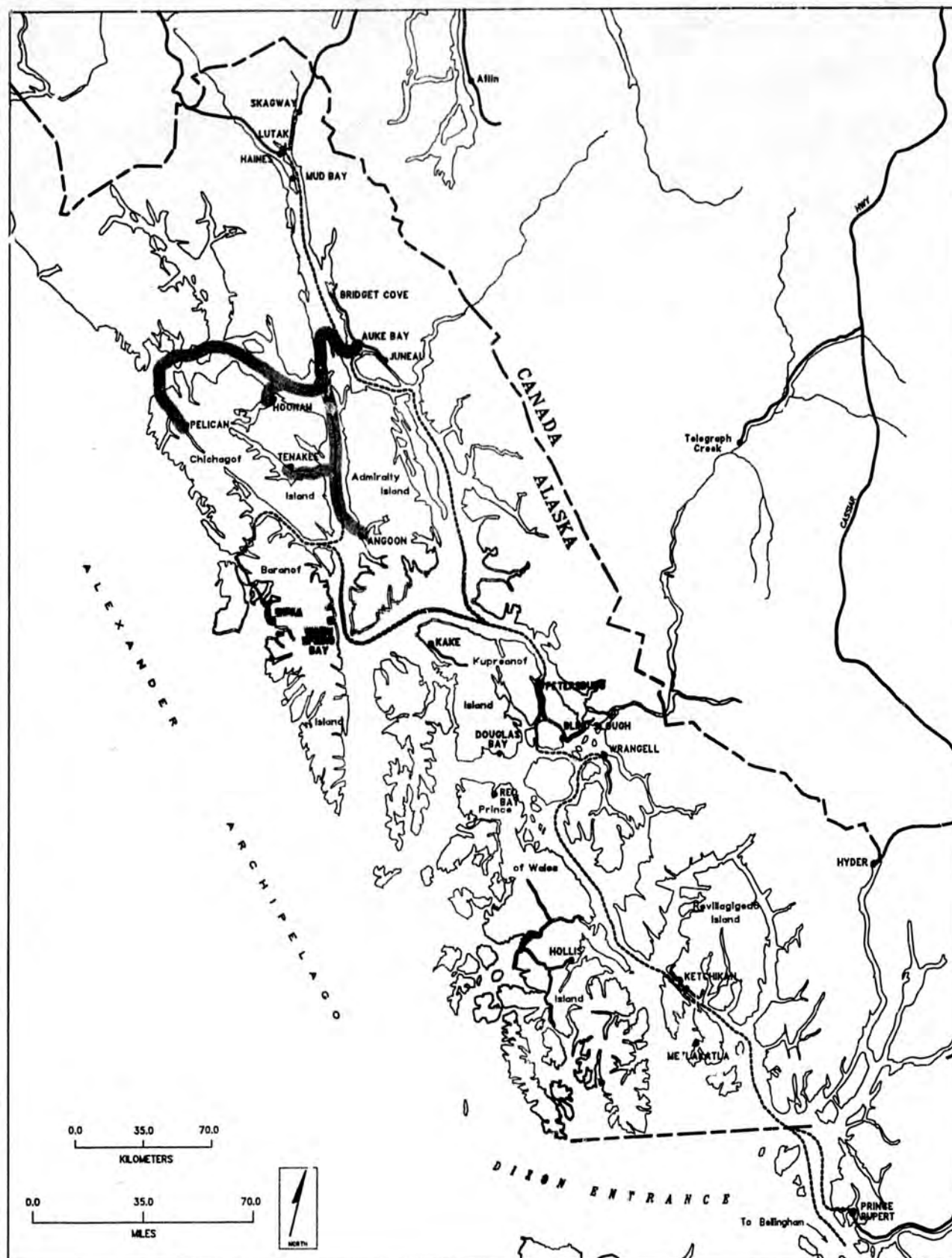
Ketchikan - Juneau Corridor



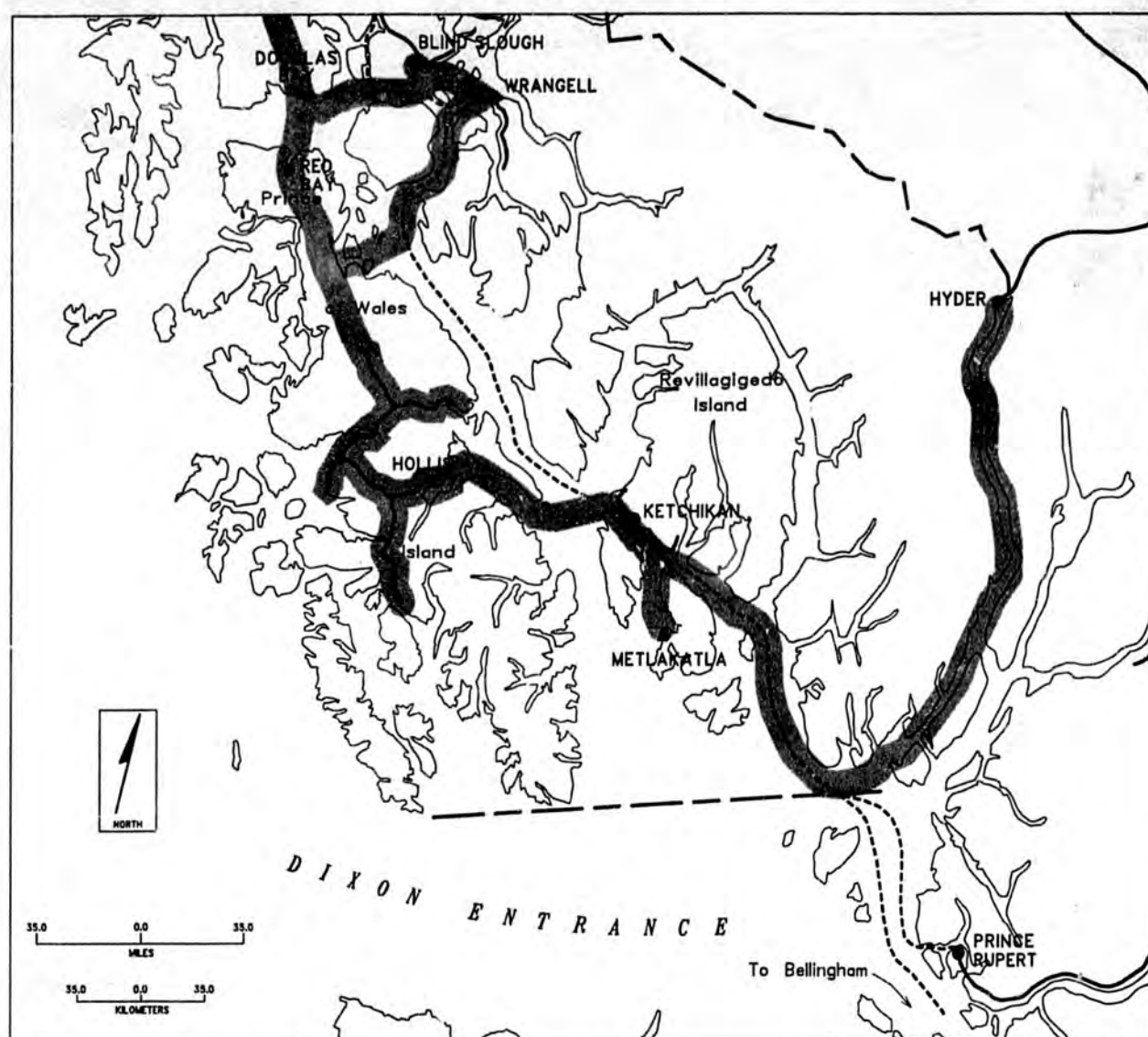
Lynn Canal Corridor



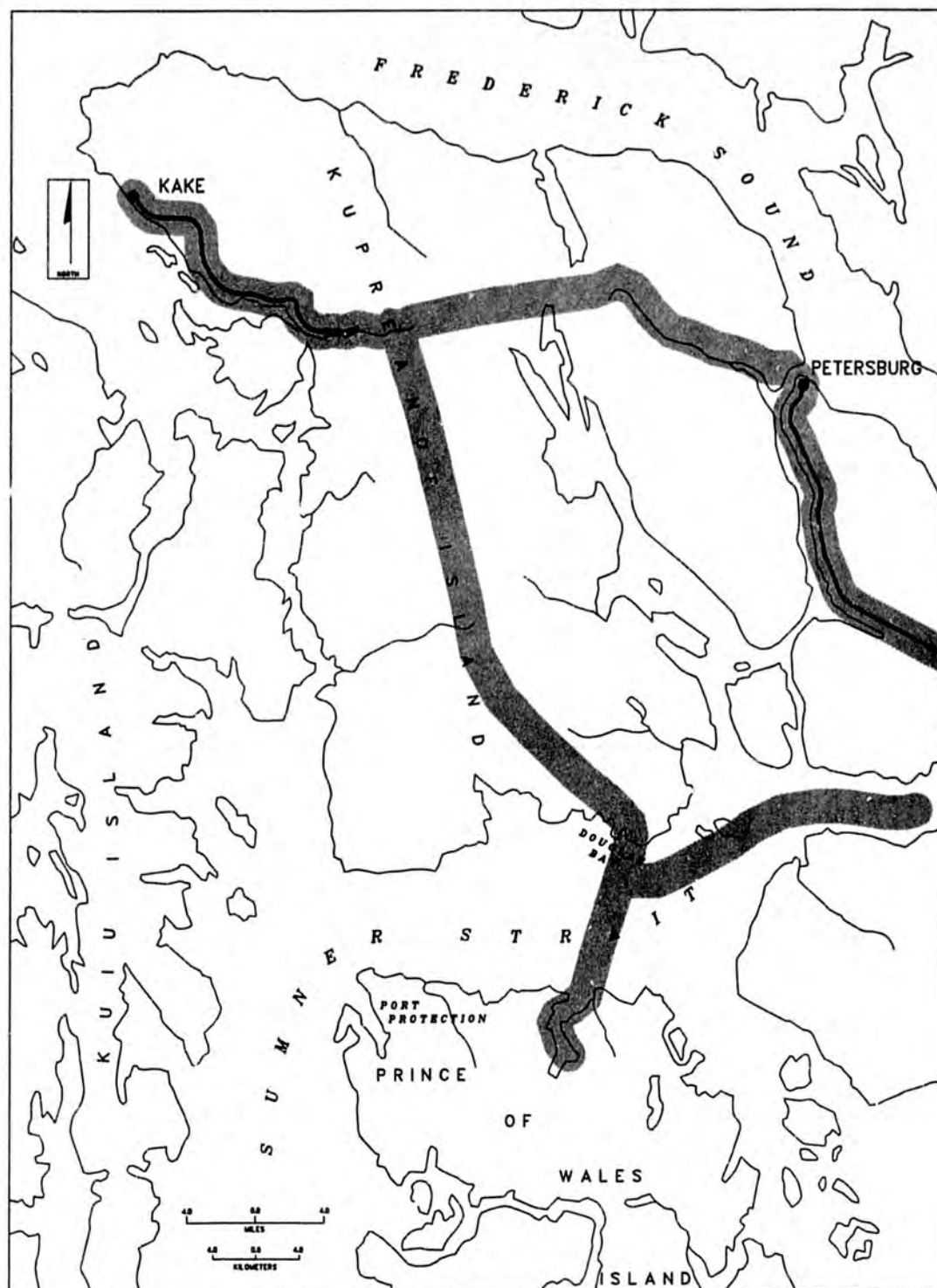
Sitka - Juneau Corridor



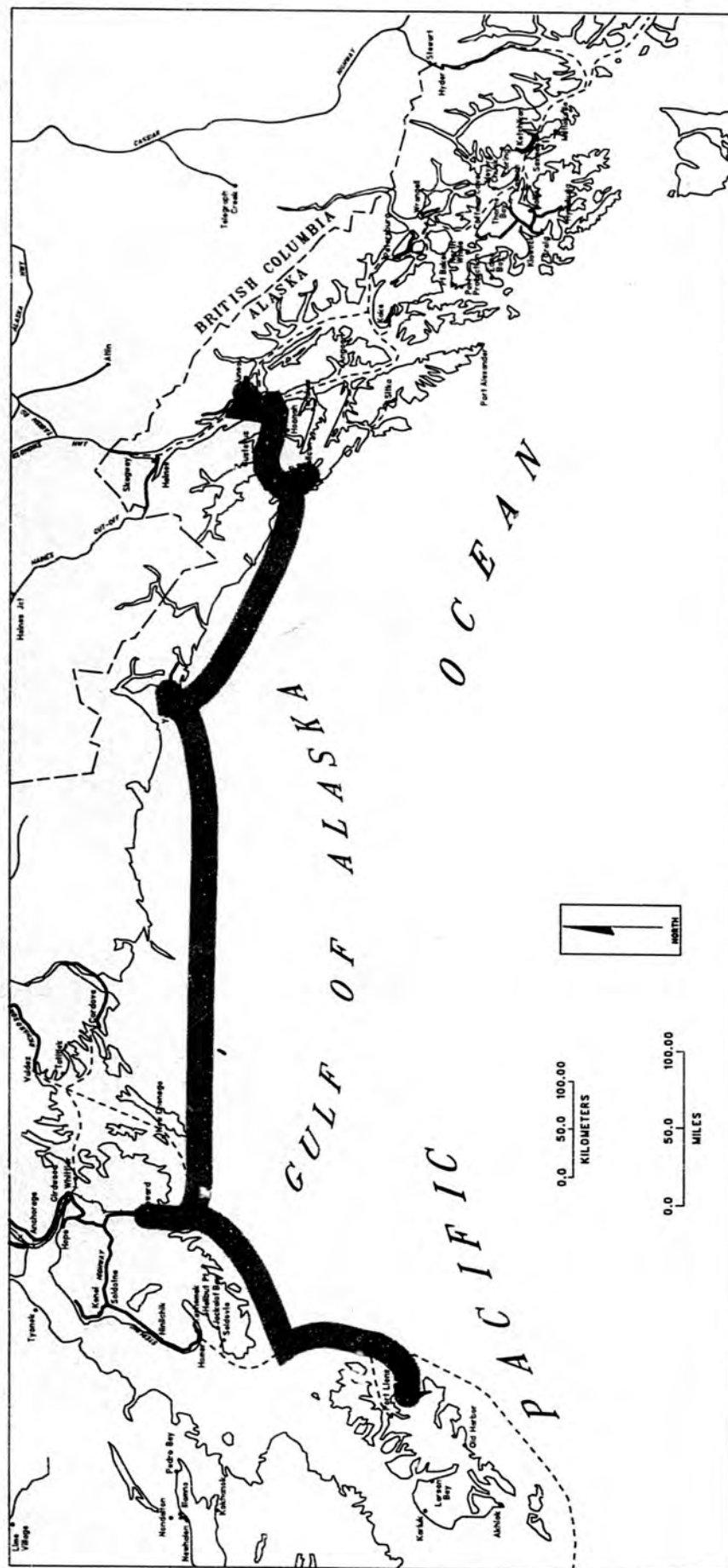
Juneau - Hoonah/Angoon/Tenakee/Pelican Network



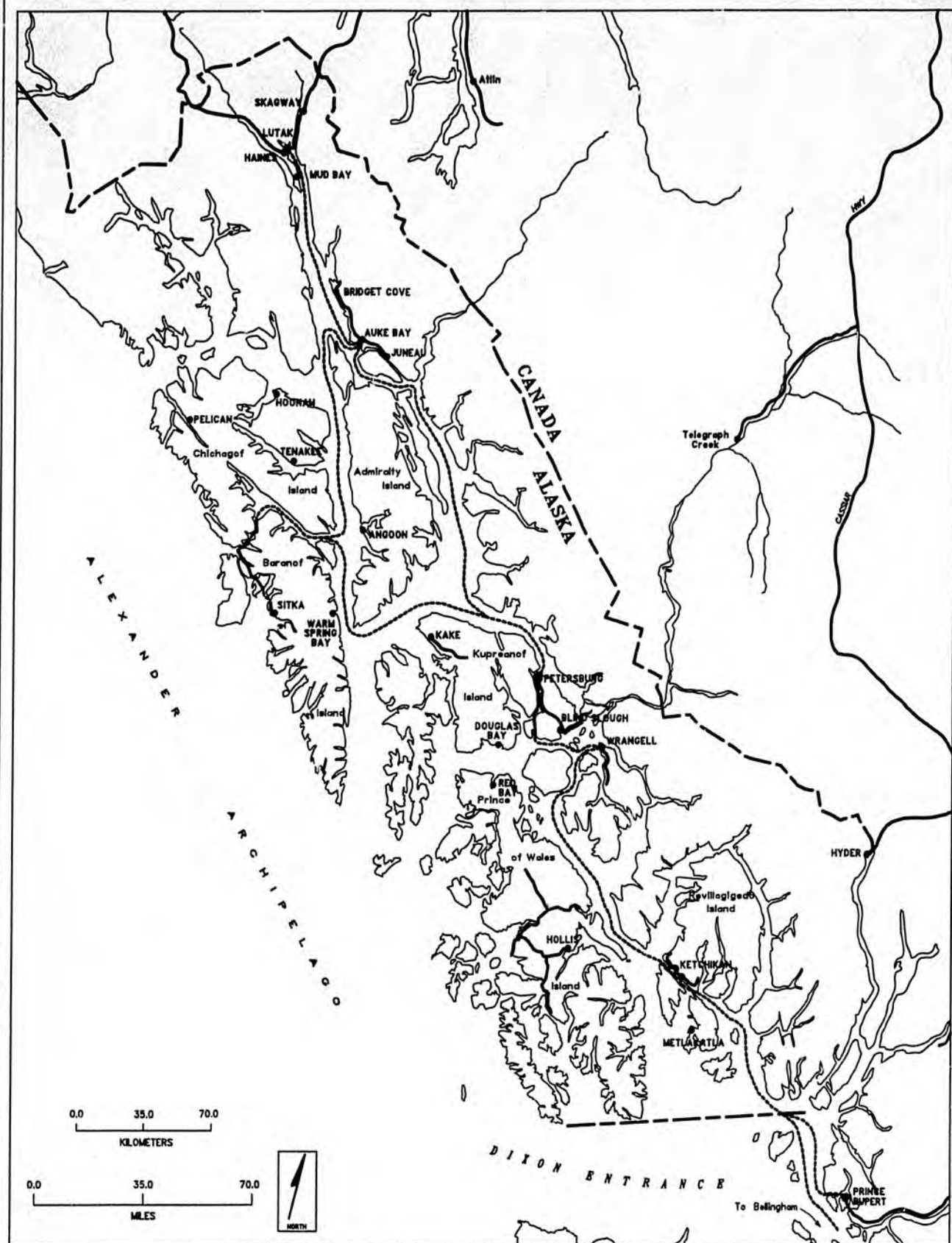
Ketchikan - POW/Metlakatla/Hyder Network



Kupreanof - Mitkof Islands Corridor

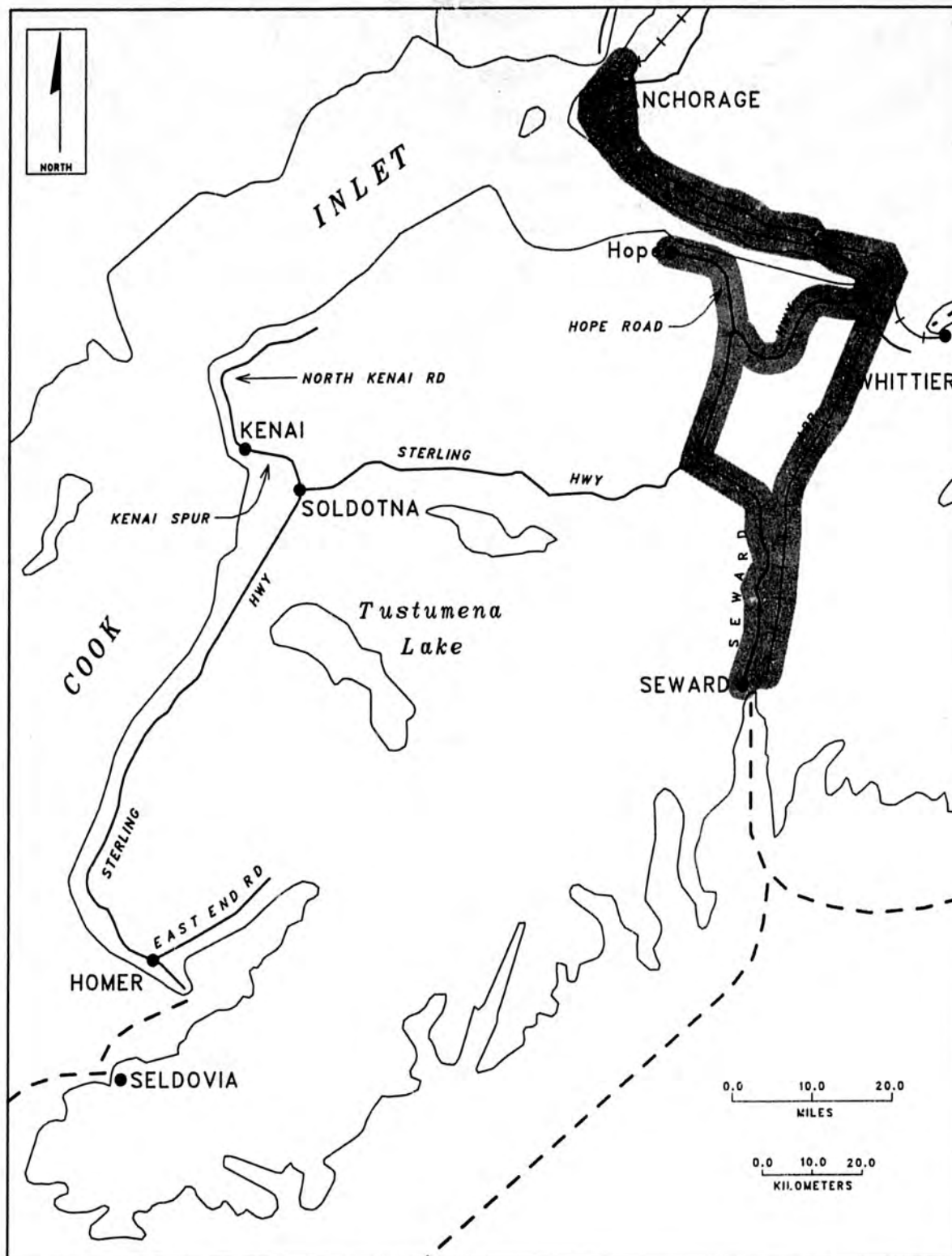


Trans-Gulf Corridor

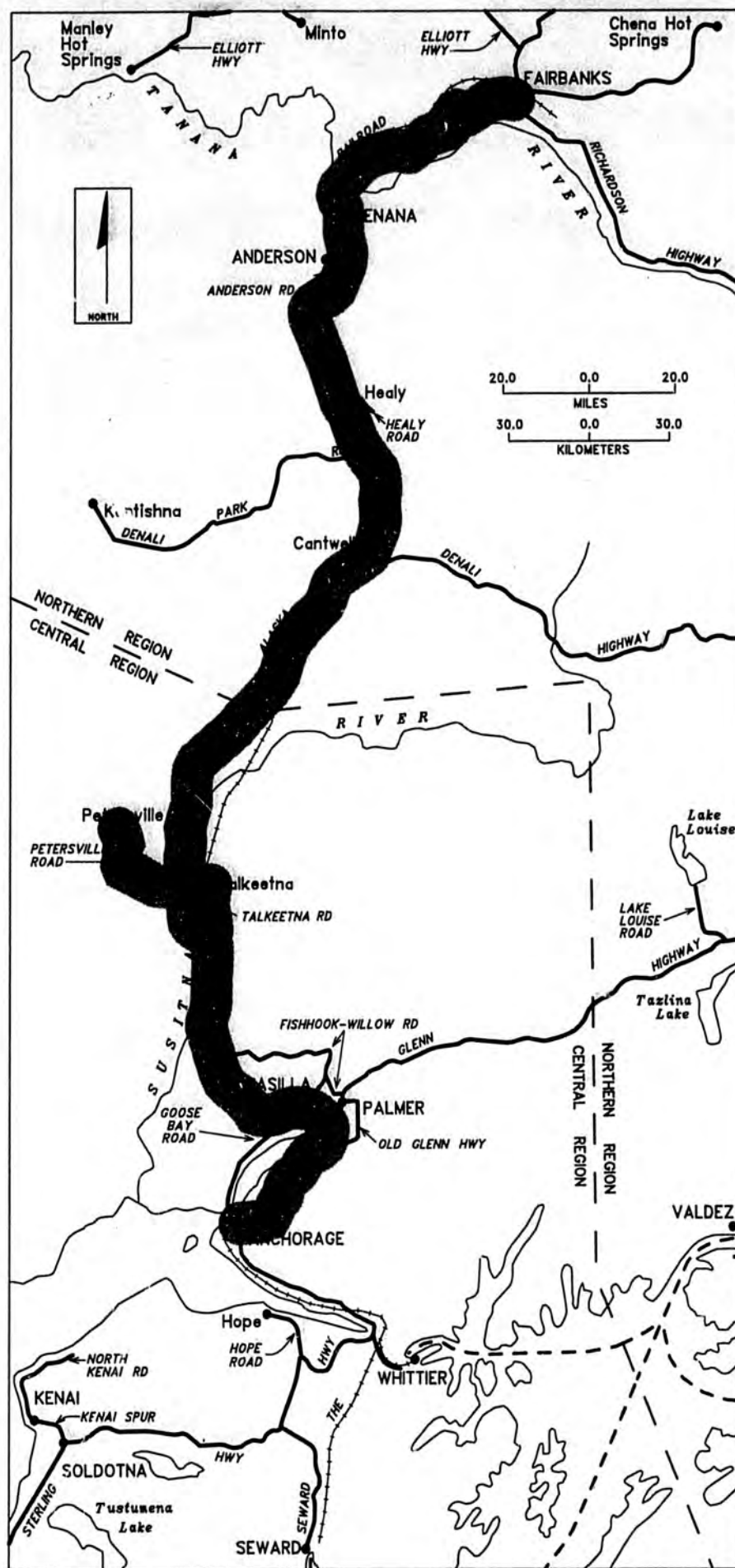


Rural community transportation systems include all transportation facilities in and around a community with the exception of inter-community travel corridors. Included are community and subdivision roads, streets, sidewalks, trails and bike paths. Also included are access to local resources, such as gravel pits and wood cutting areas. Other routes included are connections to airports, barge landings, boat launches and port facilities, sanitation roads to landfills and sewage treatment facilities, roads to water sources, schools, cemeteries, recreation areas and other community facilities.

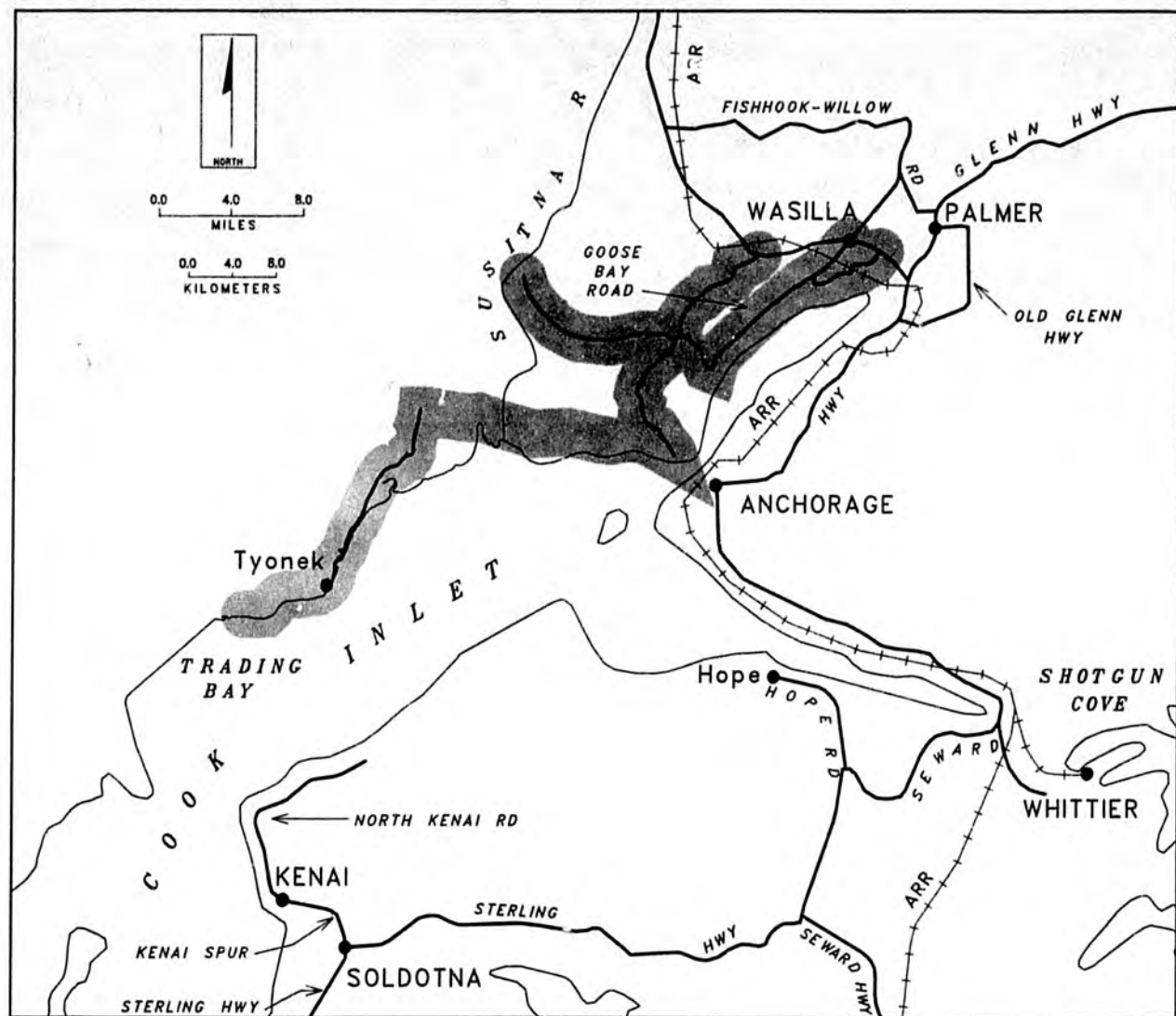
Rural Community Transportation Systems



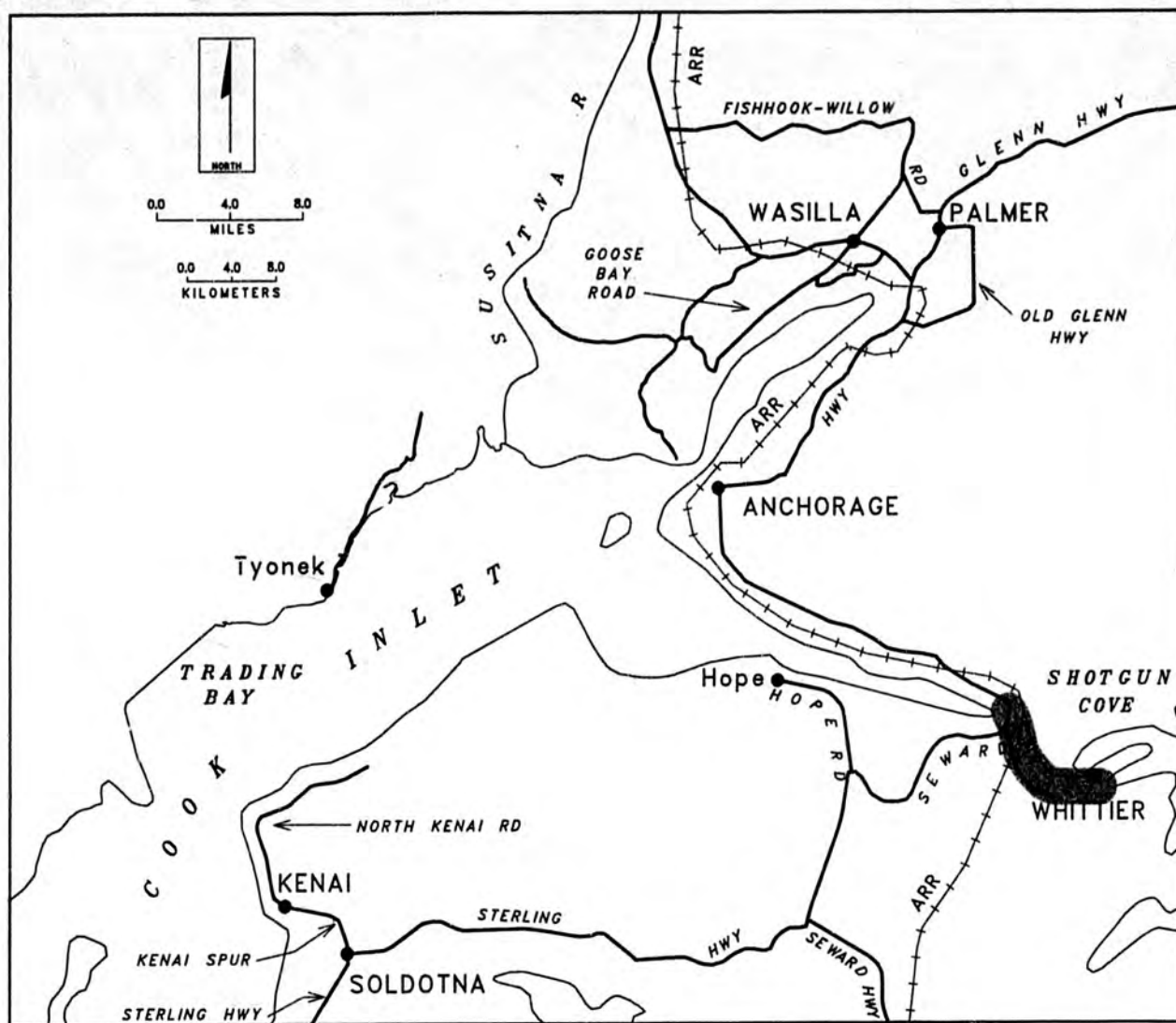
Seward - Anchorage Corridor



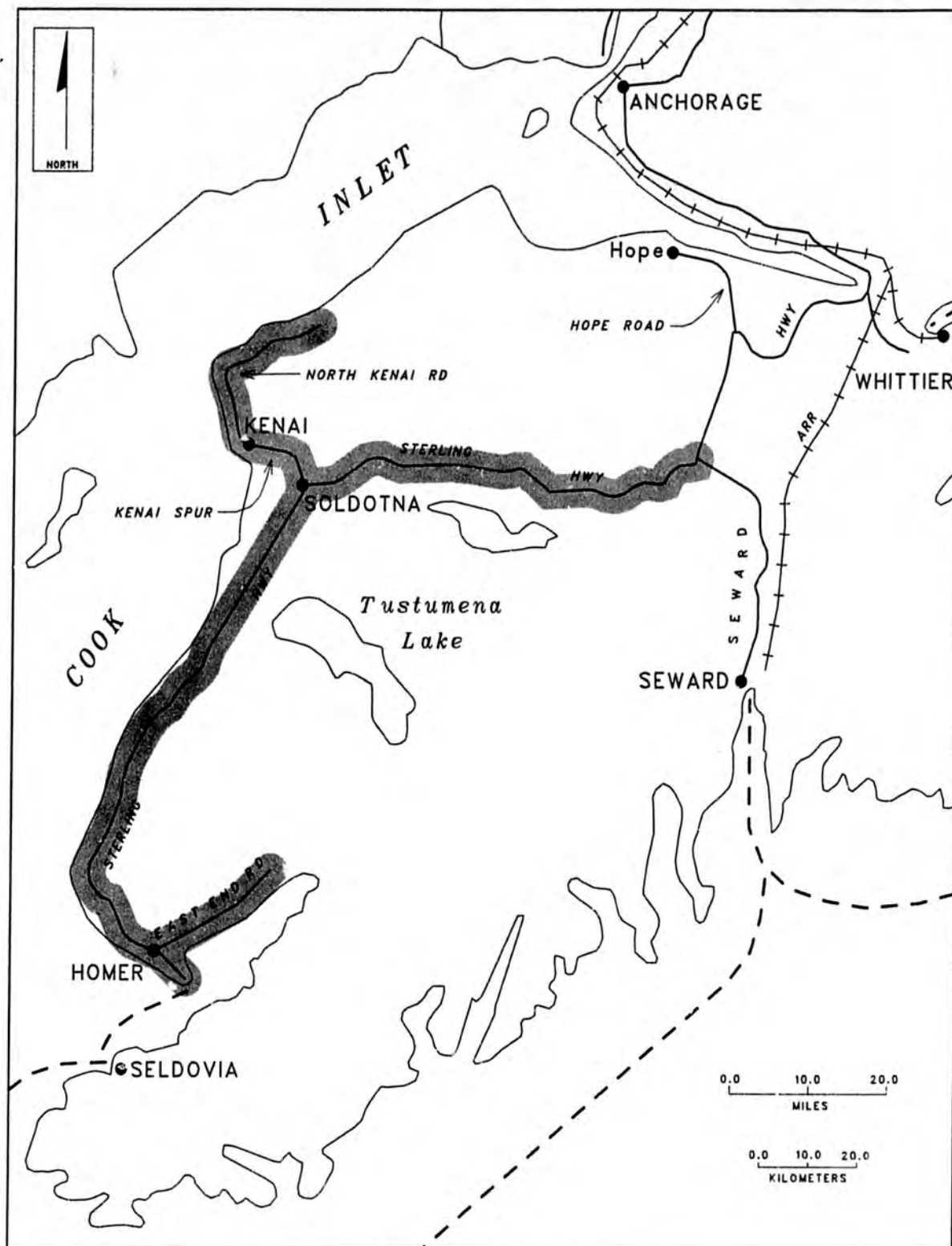
Anchorage - Fairbanks Corridor



Wasilla - Trading Bay Corridor

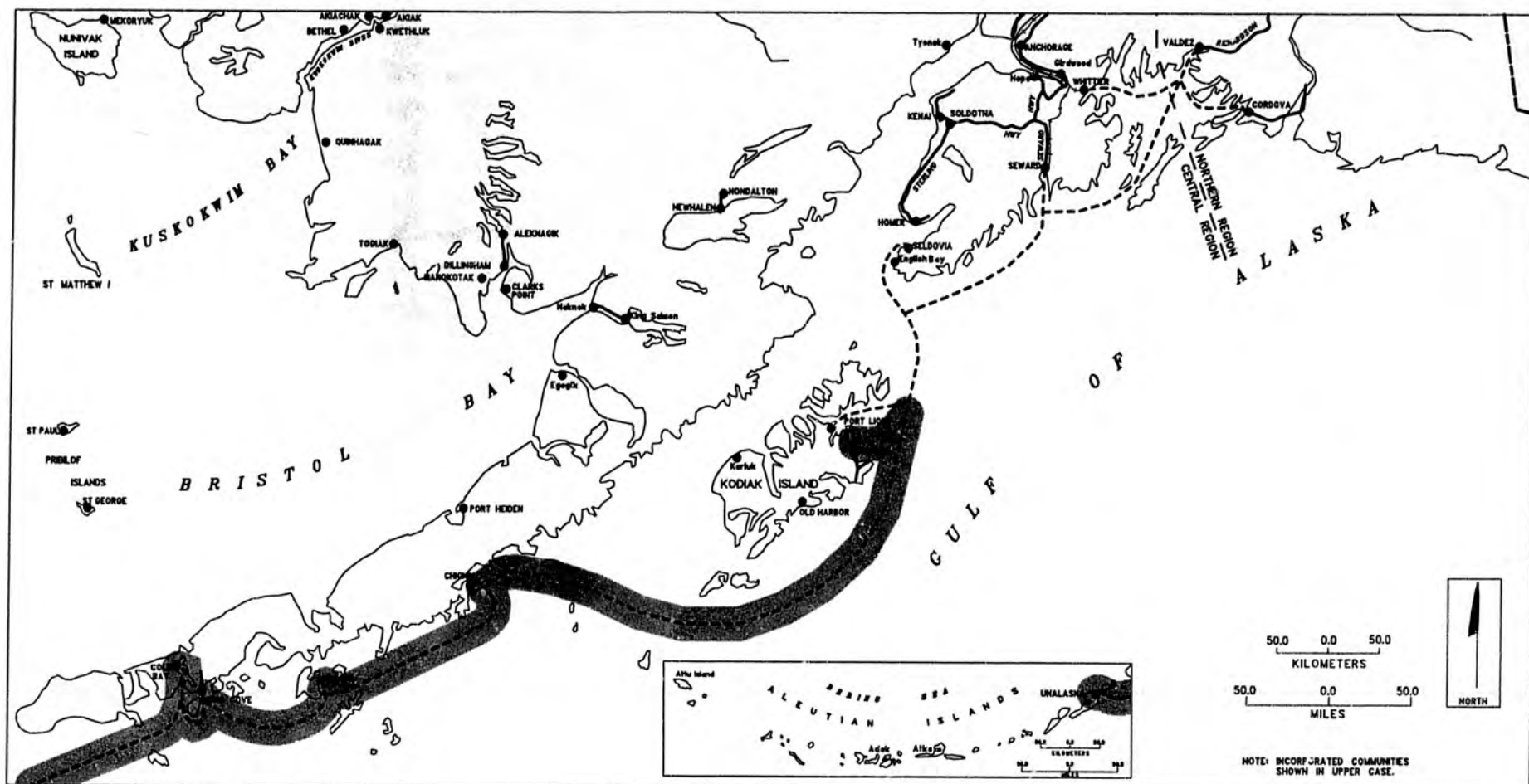


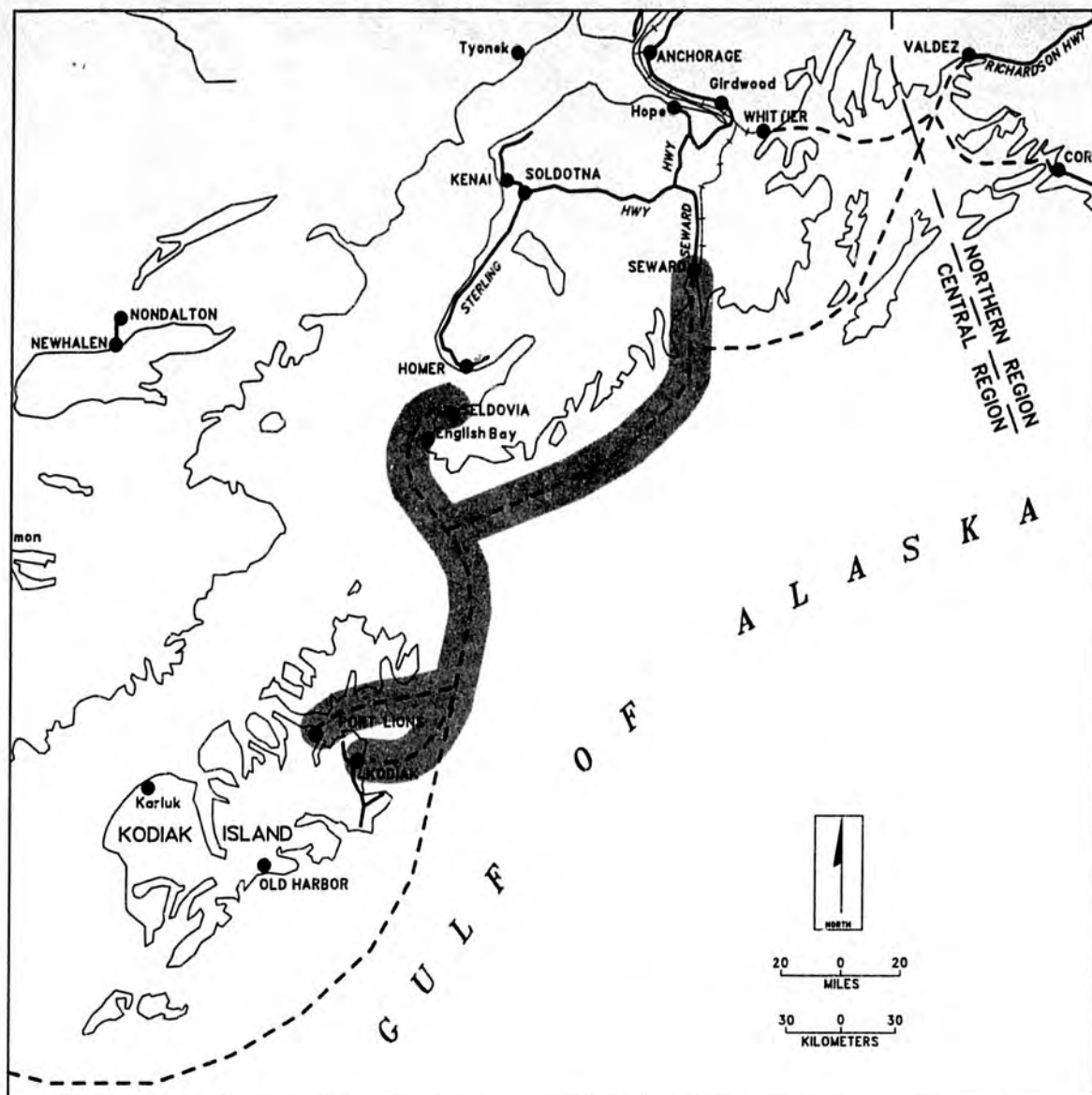
Portage - Whittier Corridor



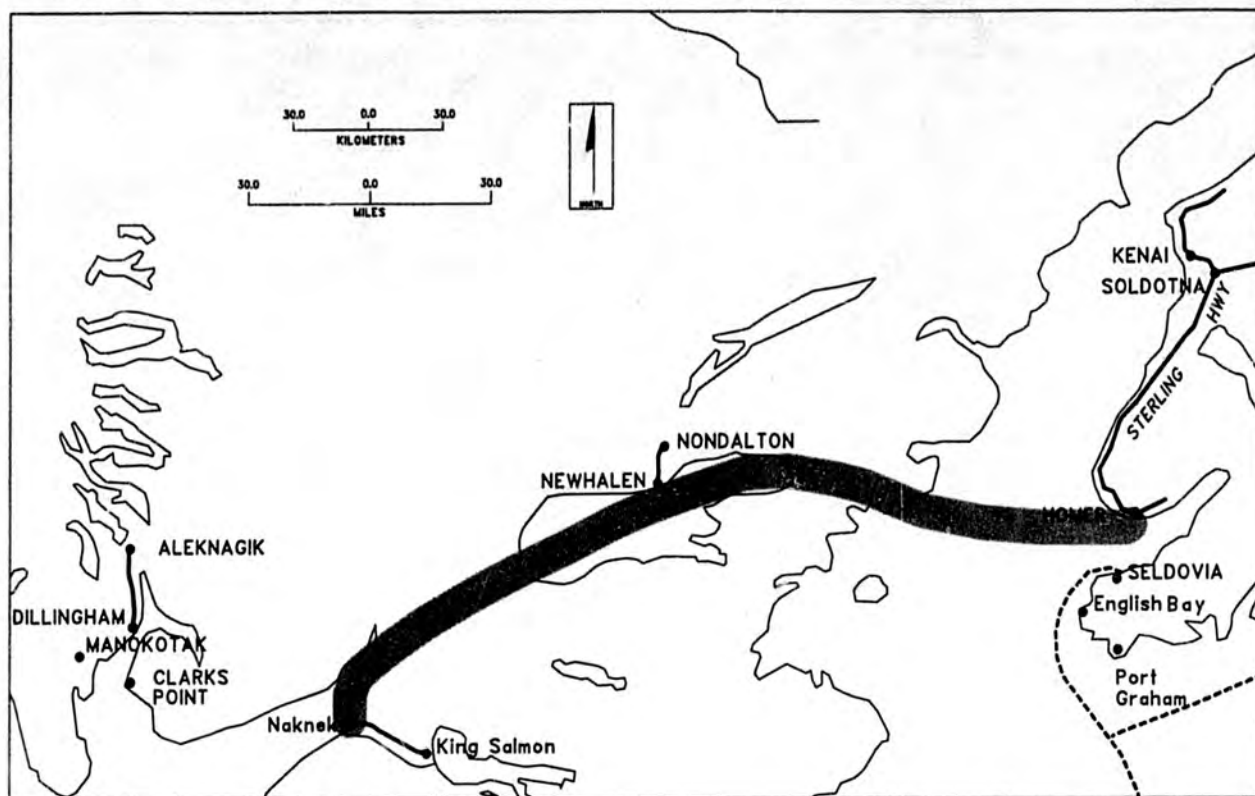
Kenai Peninsula Corridor

Kodiak - Unalaska Corridor





Homer/Seward - Kodiak Corridor



Cook Inlet - Bristol Bay Corridor

Community Building, Achieves and Records Center, and Governor's Mansion in Juneau; the Ketchikan Court & Office Building, etc.) and highway and airport maintenance shops & equipment throughout the region.

Southeast Region Administration

The regional management is divided into four divisions: Maintenance and Operations (M&O), Design and Construction (D&C), Planning and Administrative Services.

The Maintenance and Operations (M&O) Division is tasked to provide routine and preventive maintenance of state owned buildings, airports, highways and equipment. M&O offices may be found at the following locations within the Southeast Region: Gustavus; Hoonah; Juneau; Ketchikan; Klawock; Petersburg; Sitka; Skagway; Wrangell; Yakutat.

Design and Construction (D&C) Division is tasked with the design and construction of highway, aviation, building and harbor projects identified in the capital improvement program. The predominant office facility for the Division is located at 6860 Glacier Highway, Juneau.

Regional Planning works cooperatively with local governments and the public to prepare a capital improvement program and collects data as required to ensure the Department's continued eligibility to receive federal highway funding.

Administrative Services provides support services for other Southeast Region divisions and Headquarters offices and is located at 3132 Channel Drive, Juneau.

Regional Guide - Alaska Marine Highway System

The Alaska Marine Highway System (AMHS) provides year-round scheduled ferry service throughout Southeast and Southwest Alaska, extending south to Prince Rupert, British Columbia and Bellingham, Washington. The system connects communities with each other, with regional centers, and with the continental road system. It is an integral part of Alaska's highway system, without which many communities would otherwise be effectively cut off from the rest of the State. The AMHS is designed to provide basic transportation services to these communities - transportation that allows community access to health services, commodities, legal services, government services, and social services; transportation that meets the social needs of isolated communities; and transportation that provides a base for economic development in communities.

AMHS service is divided into two major systems: The southeast system (from Bellingham north to Skagway) and the southwest system (from Cordova west to Unalaska).

Scheduled service is currently provided to the following communities:

Southeast System

Skagway
Haines
Juneau
Pelican
Hoonah
Angoon
Tenakee Springs
Sitka
Kake
Petersburg
Wrangell
Hollis
Metlakatla
Ketchikan
Hyder
Prince Rupert, British Columbia
Bellingham, Washington

Southwest System

Whittier
Cordova
Tatitlek
Valdez
Seward
Homer
Seldovia
Port Lions
Kodiak
Chignik
Sand Point
King Cove
Cold Bay
False Pass
Akutan
Unalaska

The AMHS fleet consists of eight vessels; the M/V Columbia, M/V Matanuska, M/V Malaspina, M/V Taku, M/V Aurora, and the M/V LeConte operate in the southeast system and the M/V Tustumena and the M/V Bartlett operate in the southwest system. All vessels are designed to carry passengers and vehicles ranging in size from motorcycles to large freight container vans. Development of a new multi-purpose vessel is underway. The new vessel is designed to: serve as a Southeast mainline vessel between Bellingham, Washington and Skagway; provide service to the Southwest when the M/V Tustumena is in overhaul; and make trans-gulf trips.

Southeast Alaska Routes

The southeast system connects with the continental road system at Bellingham, Washington; Stewart, British Columbia (Hyder); Prince Rupert, British Columbia; Haines, Alaska; and Skagway, Alaska. The southeast AMHS route system is divided into two subsystems: the mainline routes and the feeder routes. The mainline routes provide service between Bellingham, Washington or Prince Rupert, British Columbia and Skagway, Alaska with stops in Ketchikan, Wrangell, Petersburg, Sitka, Juneau, and Haines. The largest four AMHS vessels, the M/V Columbia, M/V Malaspina, M/V Matanuska, and M/V Taku, are used on the southeast mainline routes.

The feeder routes connect the smaller communities of Southeast Alaska (Angoon, Hollis, Hoonah, Hyder, Kake, Pelican, Metlakatla, and Tenakee Springs) with each other and with the Southeast Alaska mainline communities (Ketchikan, Petersburg, Sitka, Juneau, Haines and Skagway) that serve as regional centers for commerce, governments, health services, and/or connections to other transportation systems. The M/V Aurora and the M/V LeConte provide service

on the feeder routes. When both vessels are in operation, the M/V LeConte serves the area between Petersburg and Skagway with all communities, except Pelican, receiving service at least once a week going both northbound and southbound. The M/V Aurora operates primarily between Ketchikan, Metlakatla, and Hollis, with limited service to Prince Rupert, British Columbia and Hyder.

During the winter months all vessels are scheduled for annual maintenance which takes a minimum of six weeks per ship. This results in reduced service levels to all communities. Service to Hyder is discontinued in the winter due to low traffic volume. When the M/V LeConte or the M/V Aurora are in lay-up status, the other vessel provides service for the entire feeder route system, with the exception of service to Prince Rupert, Haines and Skagway since they continue to receive mainline service.

Southwest Alaska Routes

The southwest system connects with the continental road system at Valdez, Homer, Seward, and Whittier (via the Alaska Railroad to Portage). The southwest system serves Prince William Sound, Kodiak Island, the Alaskan Peninsula, and the Aleutian Islands. The M/V Tustumena provides regular service between Kodiak, Port Lions, Seldovia, Homer and Seward. Service in Prince William Sound to the communities of Valdez, Cordova, Whittier, and Tatitlek is provided by the M/V Bartlett. The M/V Tustumena also makes trips to Valdez and Cordova. Approximately six times each year, between April and October, the M/V Tustumena travels out the Aleutian chain to Unalaska, stopping at Chignik, Sand Point, King Cove, False Pass, Akutan and Cold Bay enroute. This trip cannot be made in the winter because of weather conditions.

In the winter months when traffic demand is significantly reduced, the M/V Tustumena and the M/V Bartlett undergo their annual maintenance. Service is suspended to Whittier and reduced between Valdez and Cordova. When the M/V Bartlett is out of service, the M/V Tustumena provides service between Valdez and Cordova. During the M/V Tustumena's annual maintenance, however, until construction of the new multi-purpose vessel is completed, there is no other open-ocean certified vessel in the fleet to replace the M/V Tustumena during annual maintenance and service to Kodiak, Port Lions, Homer, Seward, and Seldovia is suspended.

Alaska Marine Highway System Administration

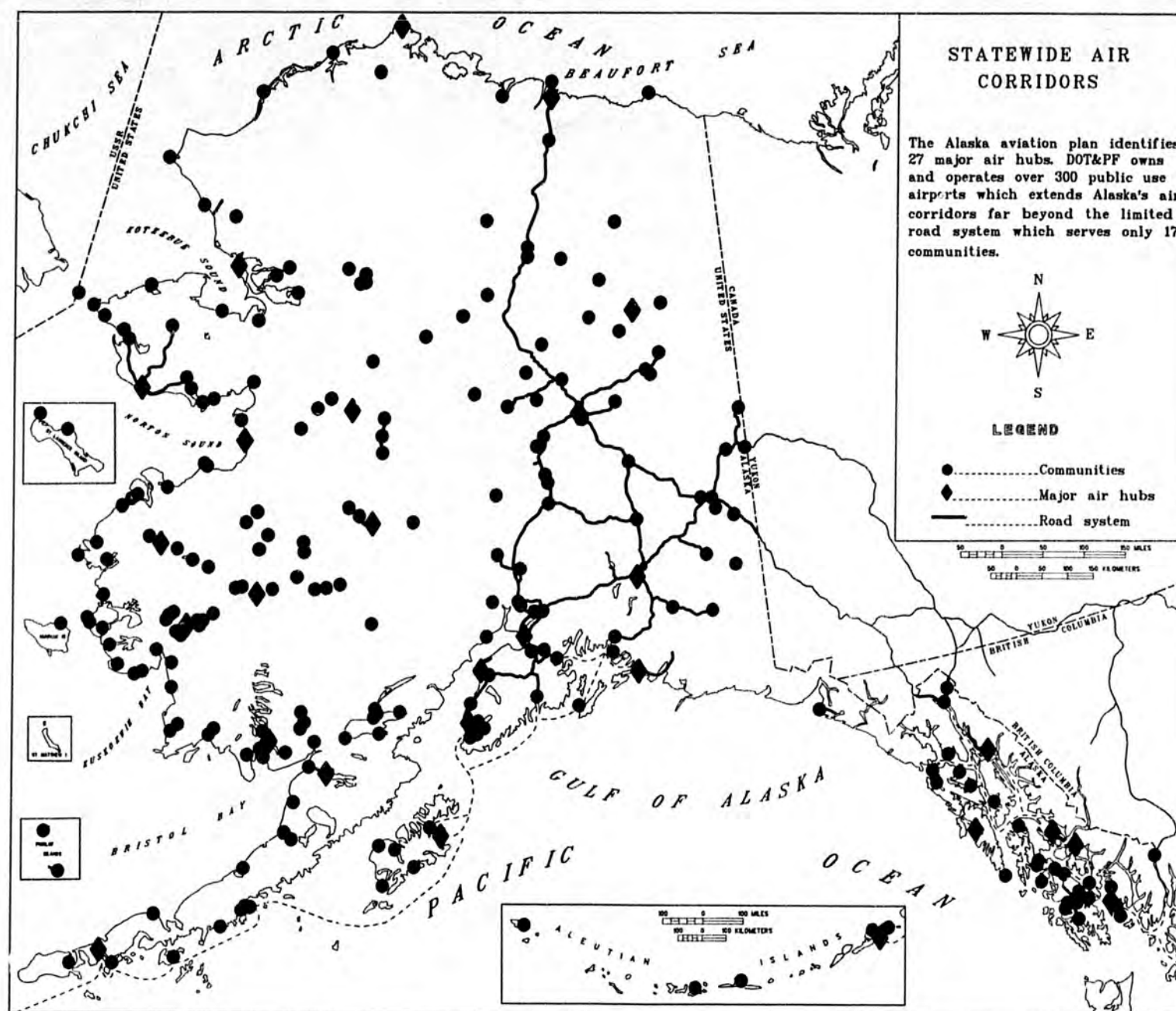
System management is divided into four management areas, each headed by a manager that reports to the System Director. The four areas are operations, marine engineering, administration, and planning/information management.

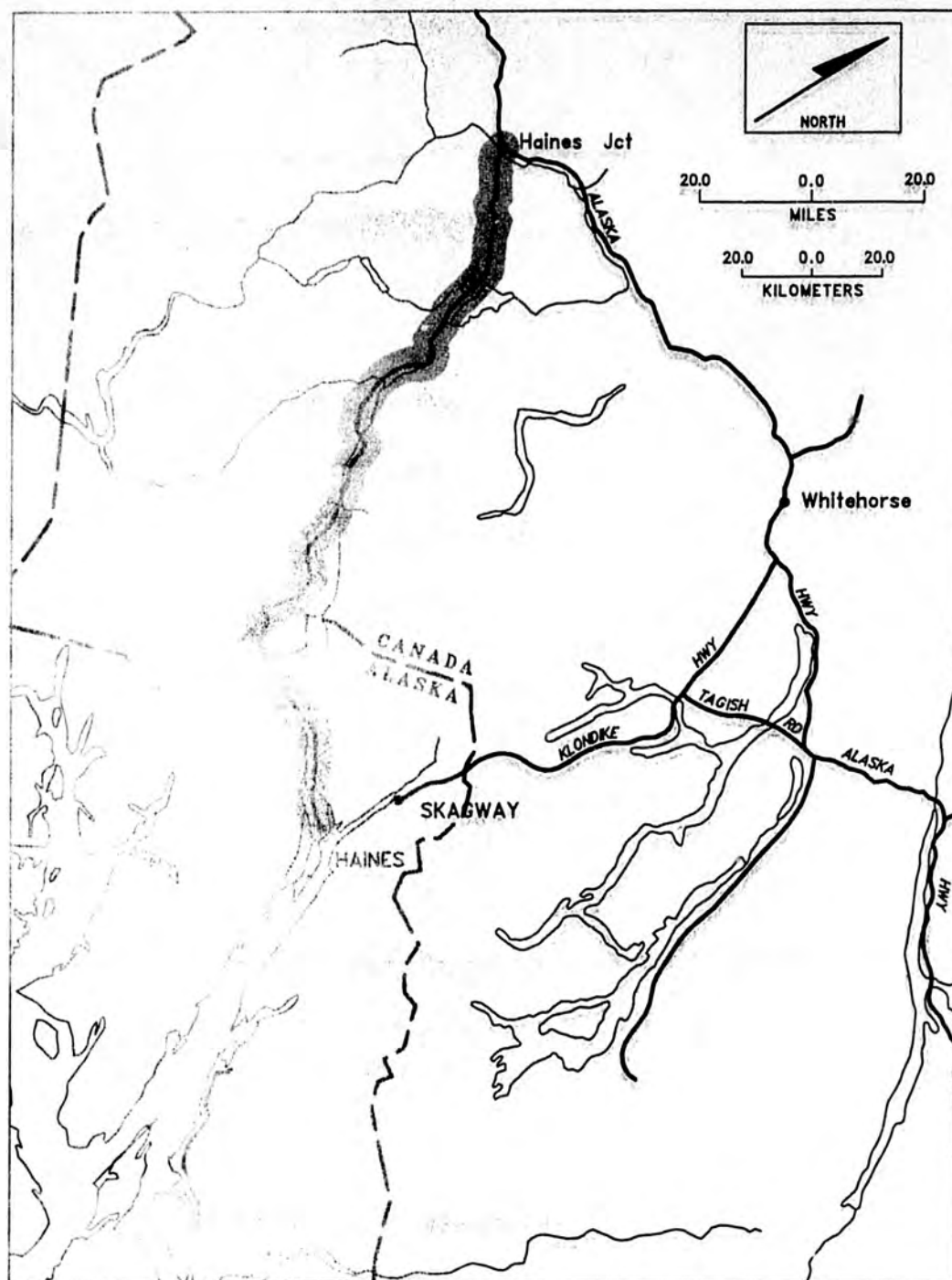
AMHS operates eight vessels on over 3,500 miles of marine routes at an annual cost of seventy-two million dollars (\$72,000,000.) Approximately forty million dollars (\$40,000,000.) in annual operating costs is recovered in fares. It is estimated that ferry system operations generate more than one hundred and fifty million dollars (\$150,000,000.) in secondary economic impact throughout Alaska's

economy.

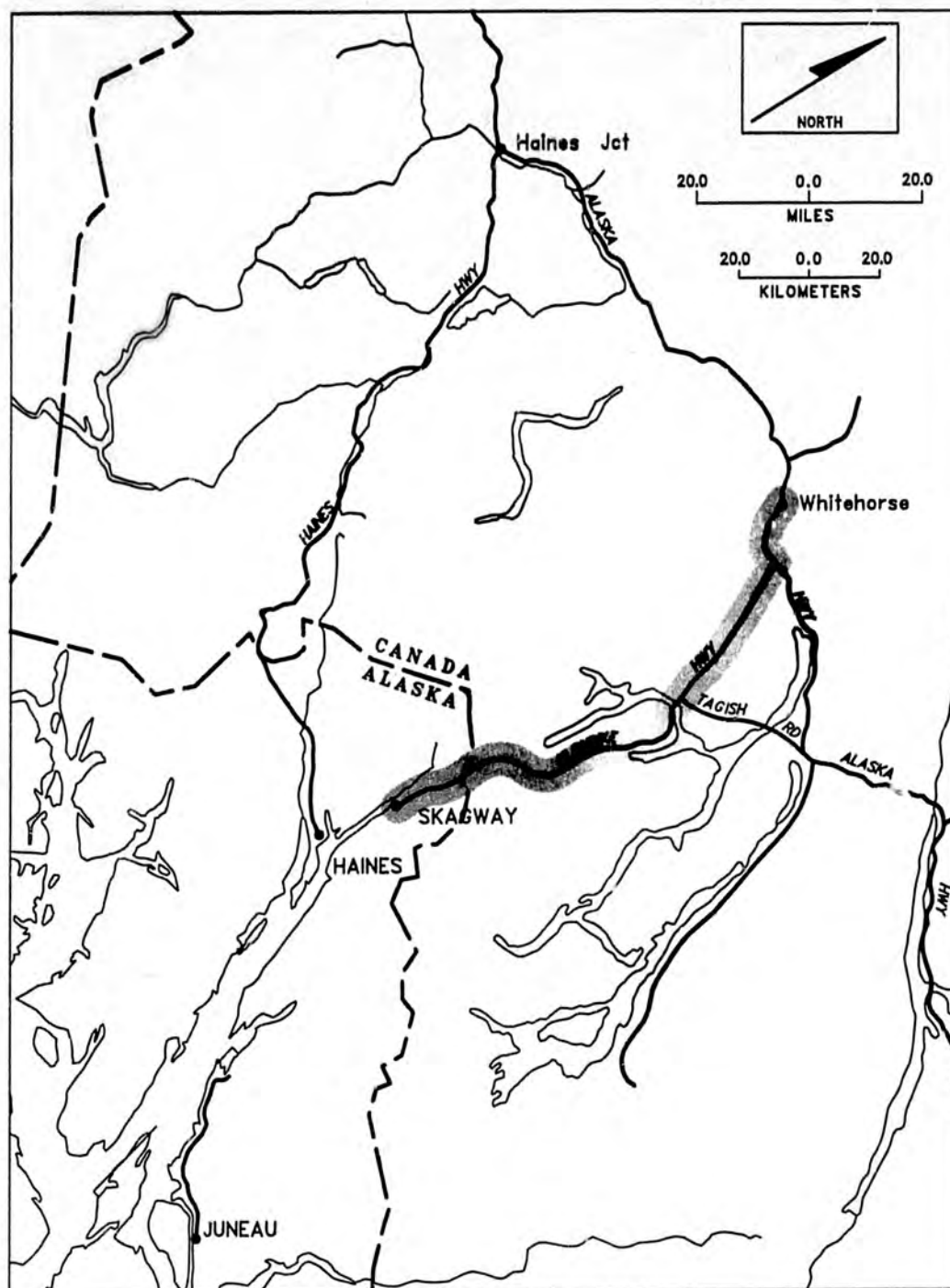
Currently in 1994, AMHS has provides transportation to roughly four hundred thousand passengers (400,000) and one hundred thousand (100,000) vehicles a year. This ridership translates into over seventy-eight million (78,000,000) passenger miles annually. AMHS provides a vehicle capacity of nearly sixty million (60,000,000) vehicle miles per year.

From 1978 to 1994 passenger traffic has increased thirty-one percent (31%) with an average annual growth rate of two and four tenths percent (2.4%). Vehicle traffic has increased sixty-two percent (62%) with an average annual growth rate of three percent (3%).

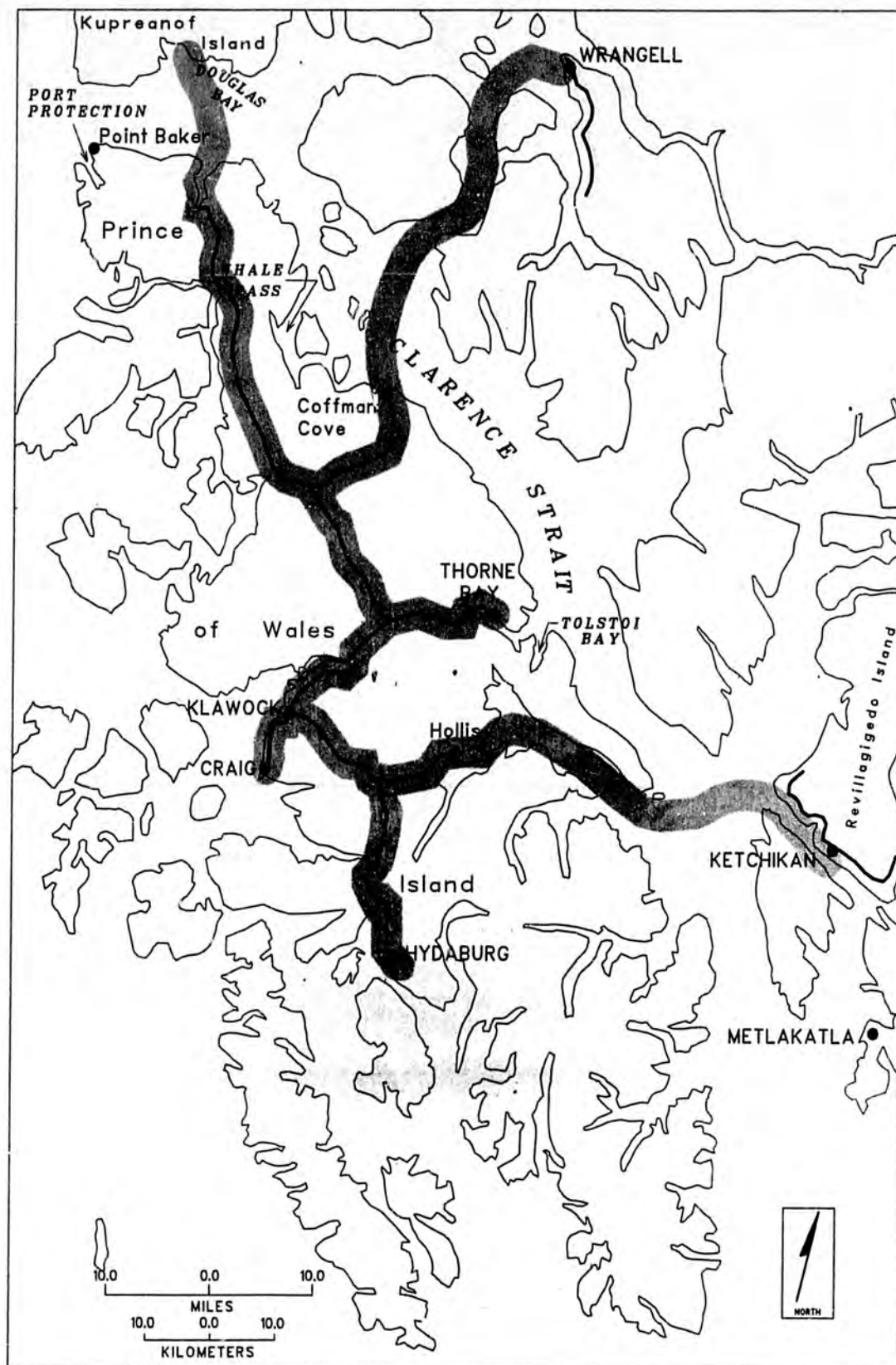




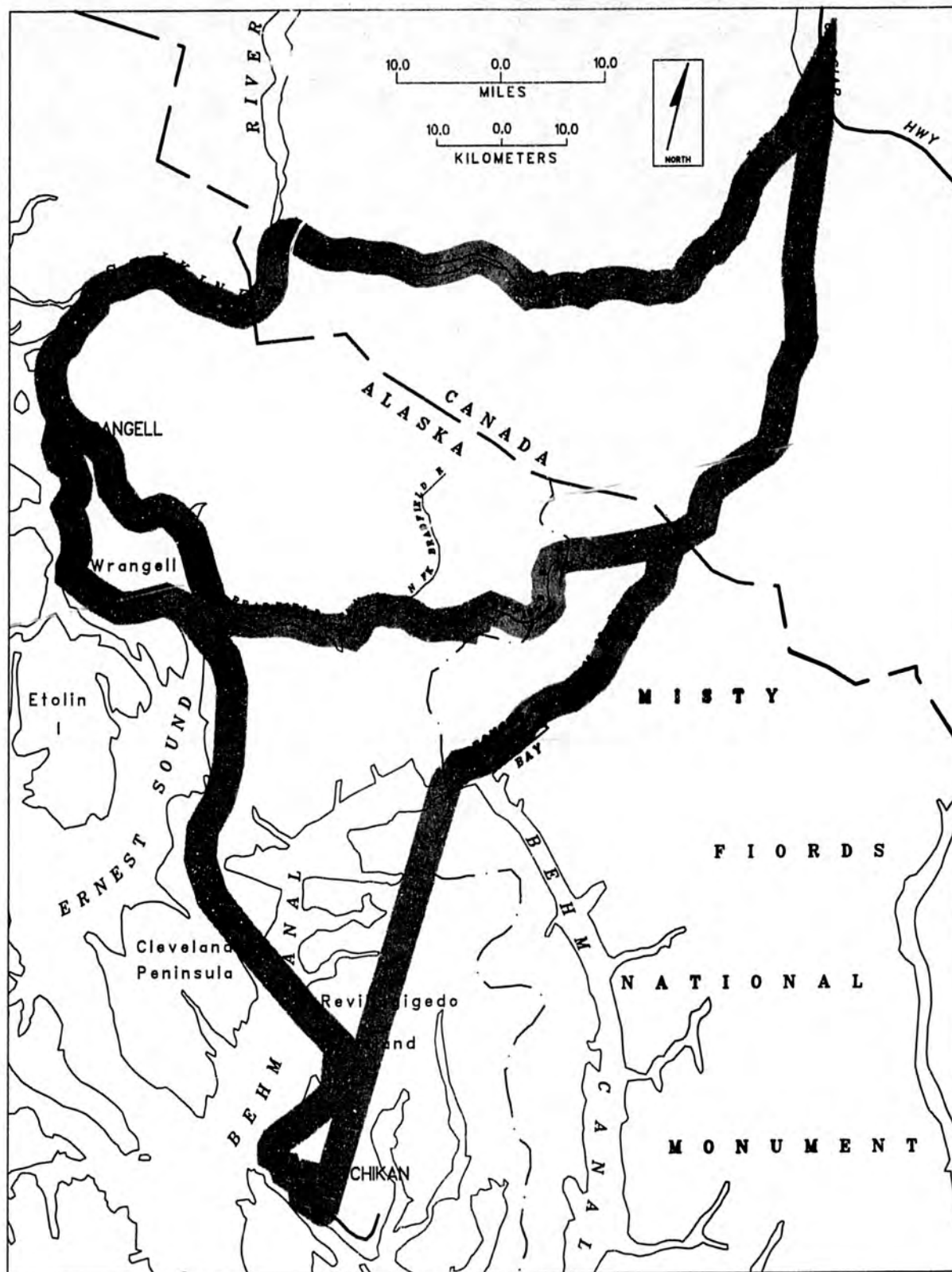
Haines - Haines Junction Corridor



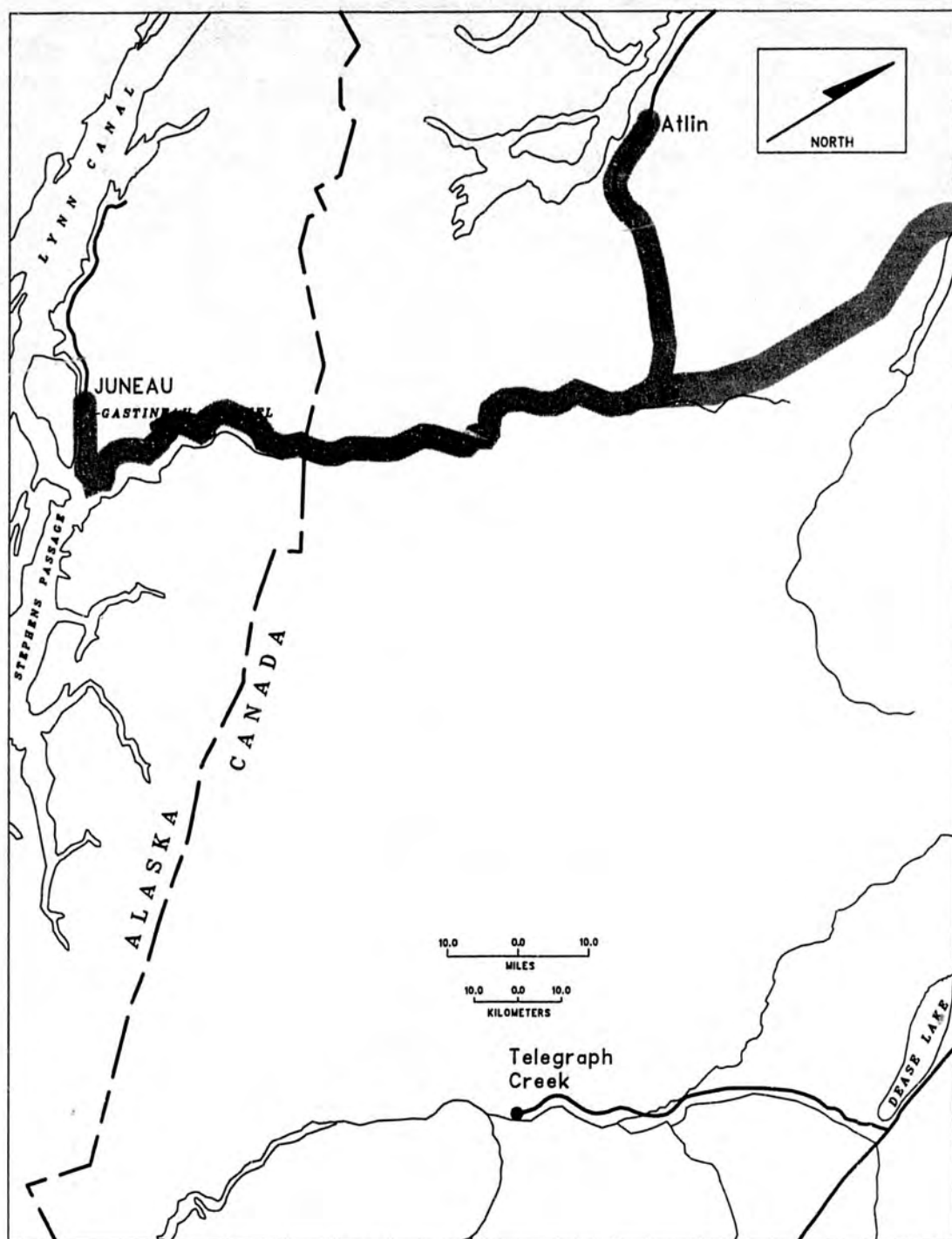
Skagway - Whitehorse Corridor



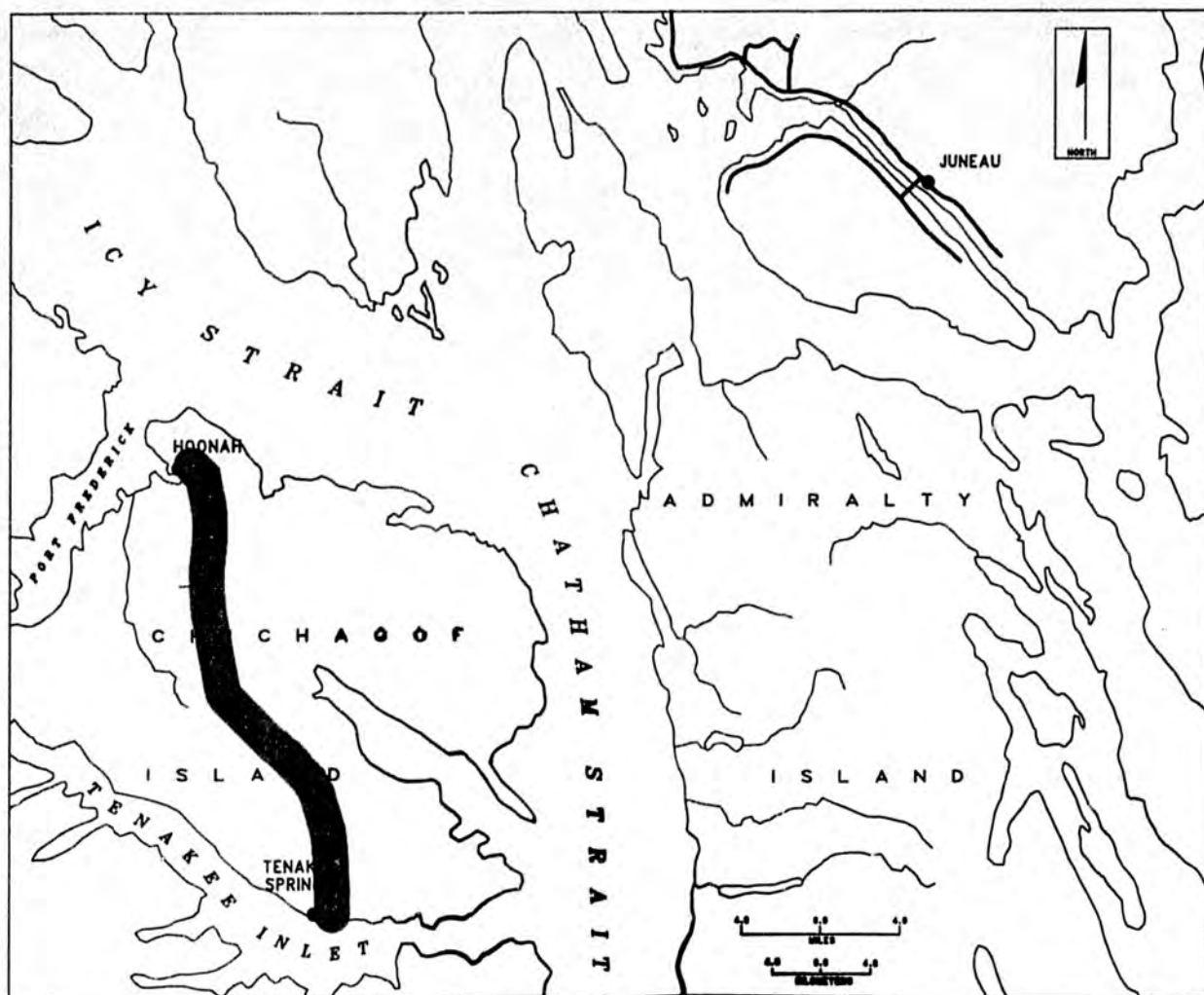
Prince of Wales Island Network



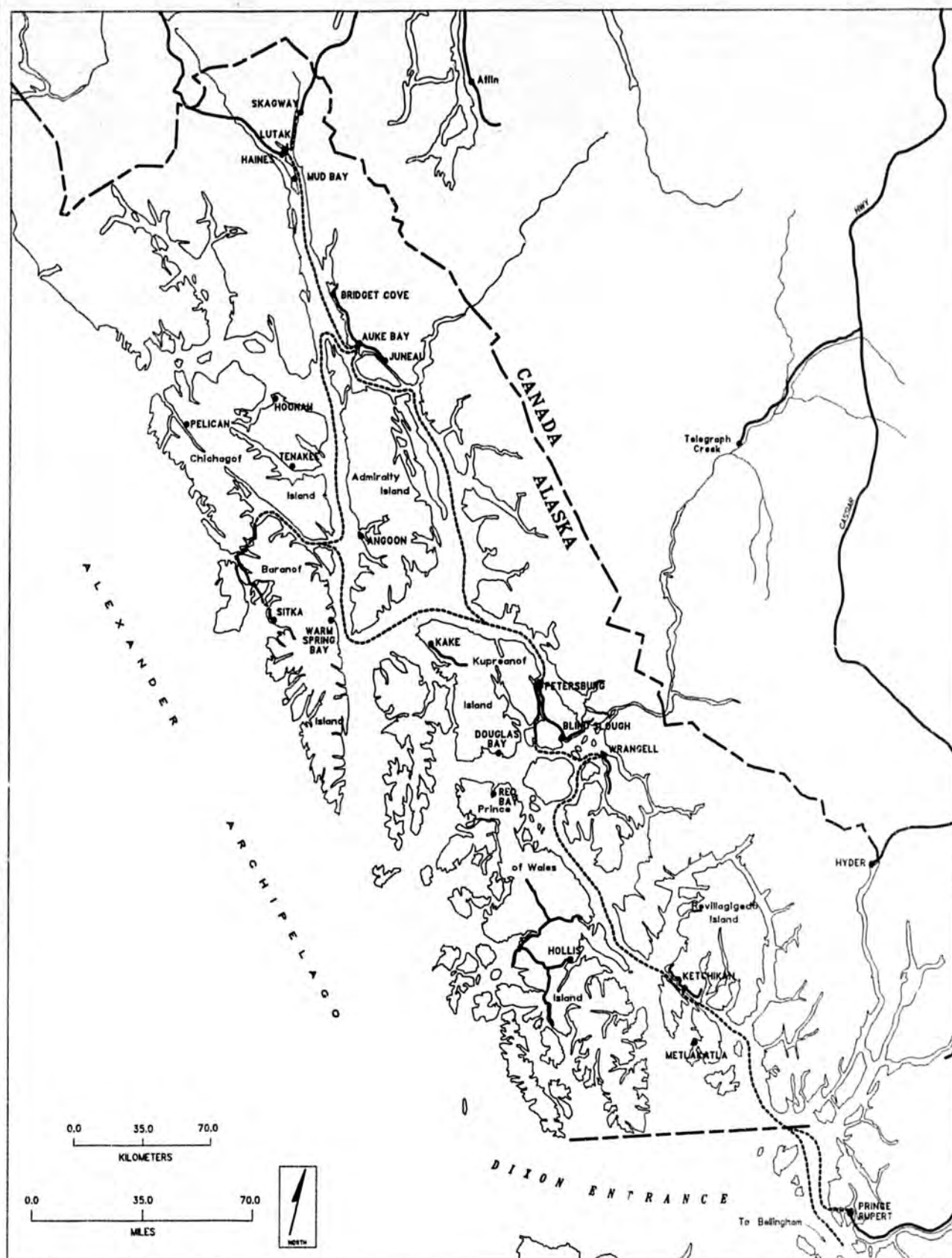
Revillagiedo Island - Stikine River/Unuk River/Bradfield Canal



Taku River Corridor

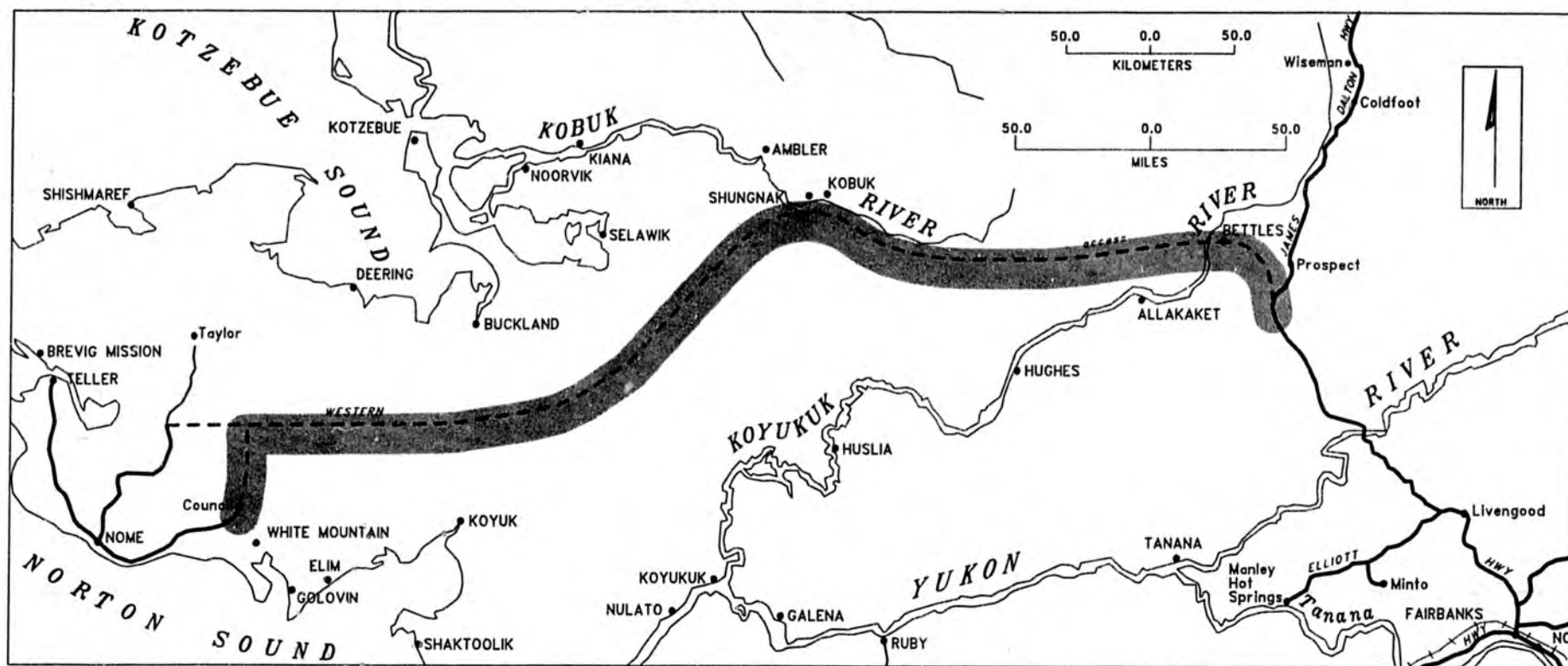


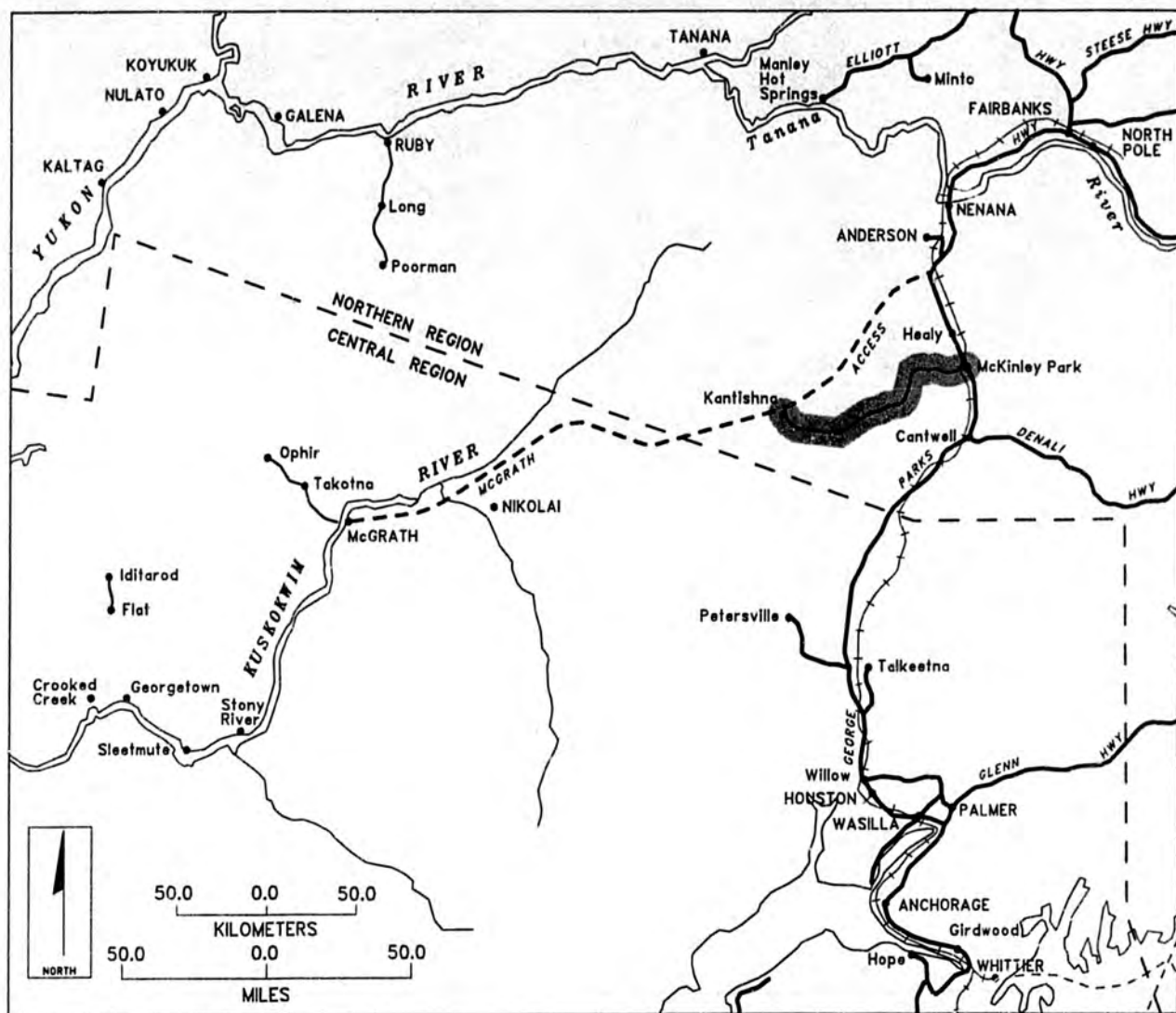
Hoonah-Tenakee Springs Corridor



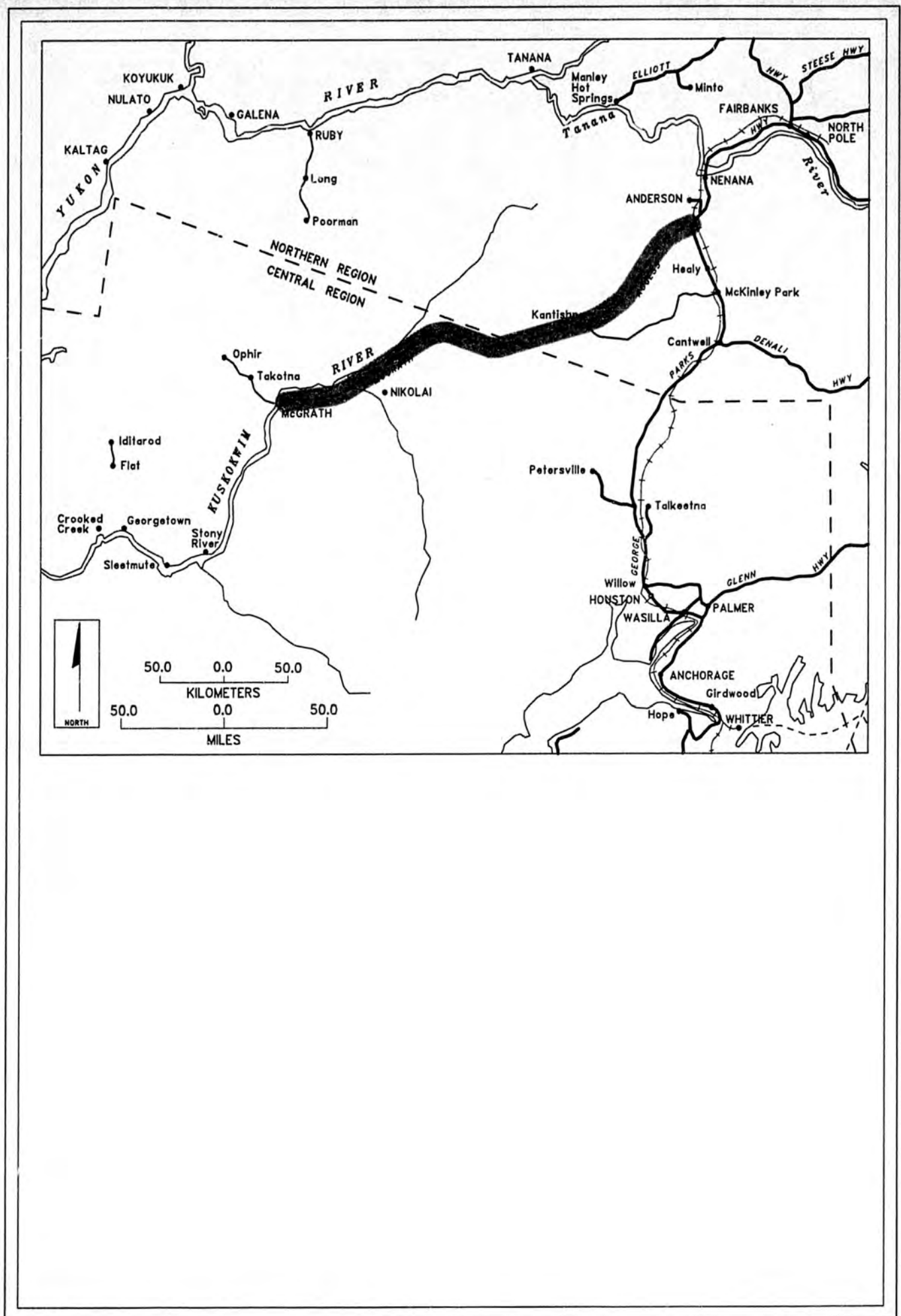
Inside Passage Corridors

Western Access Corridor

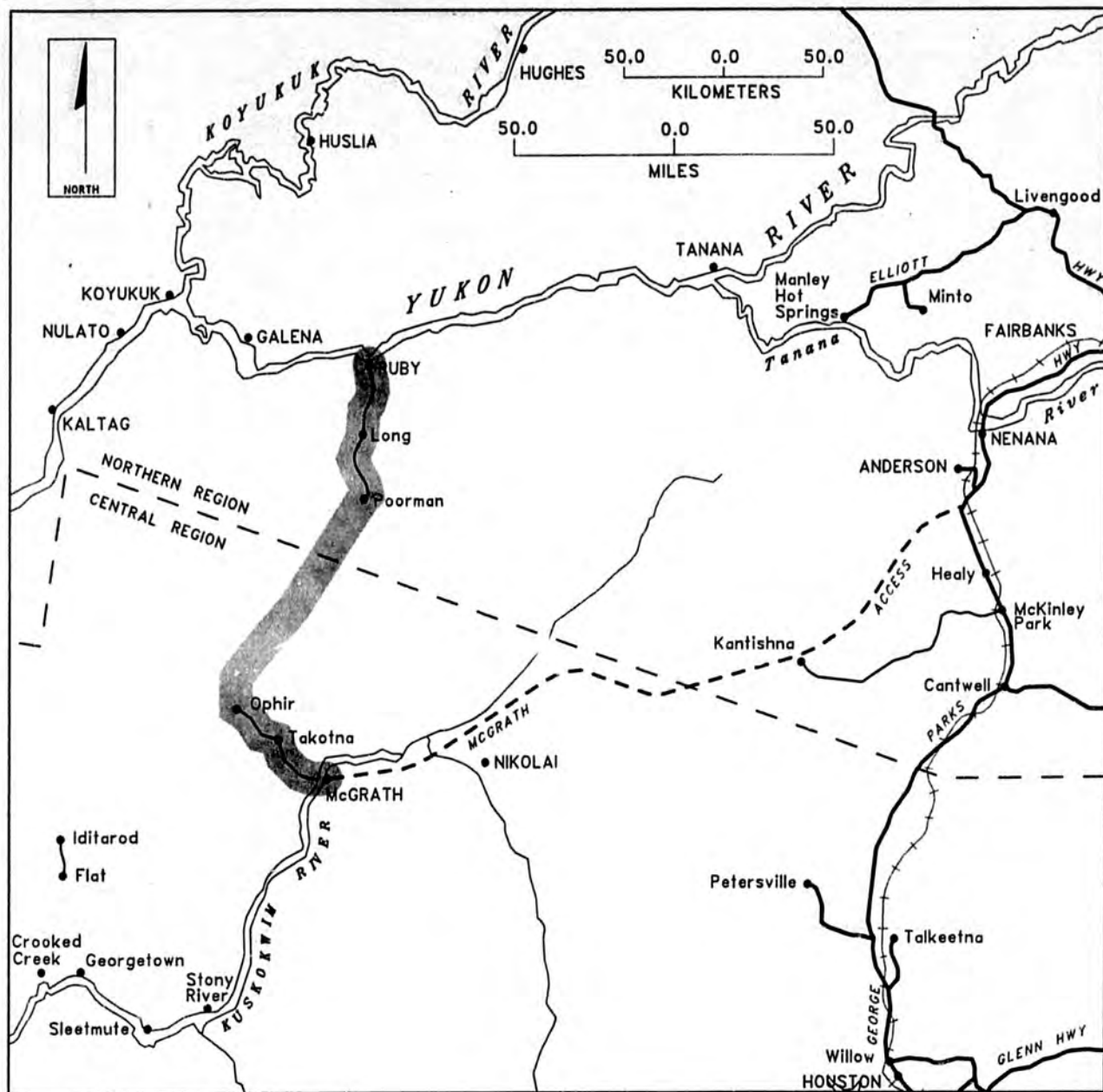




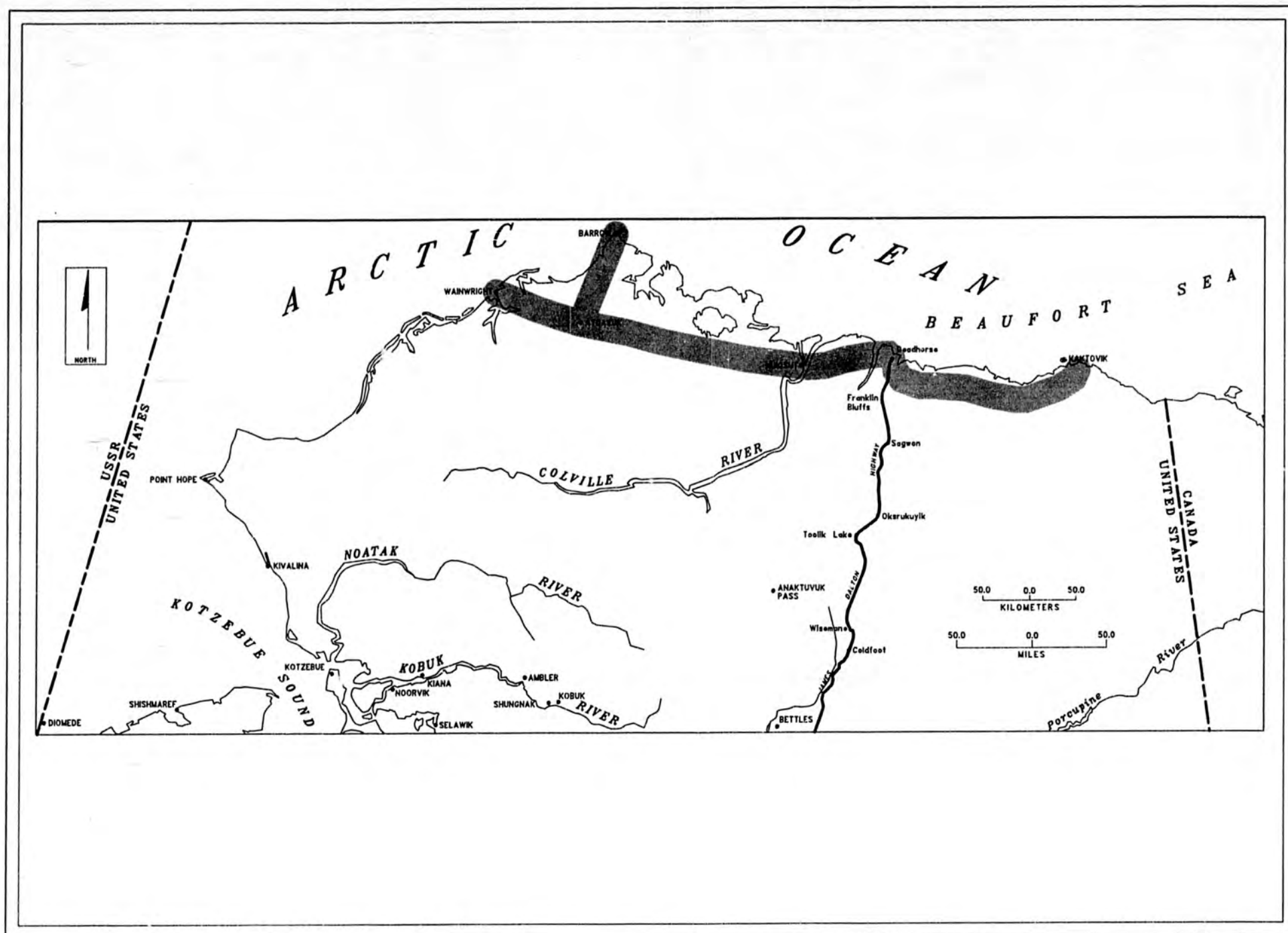
Denali Park Corridor



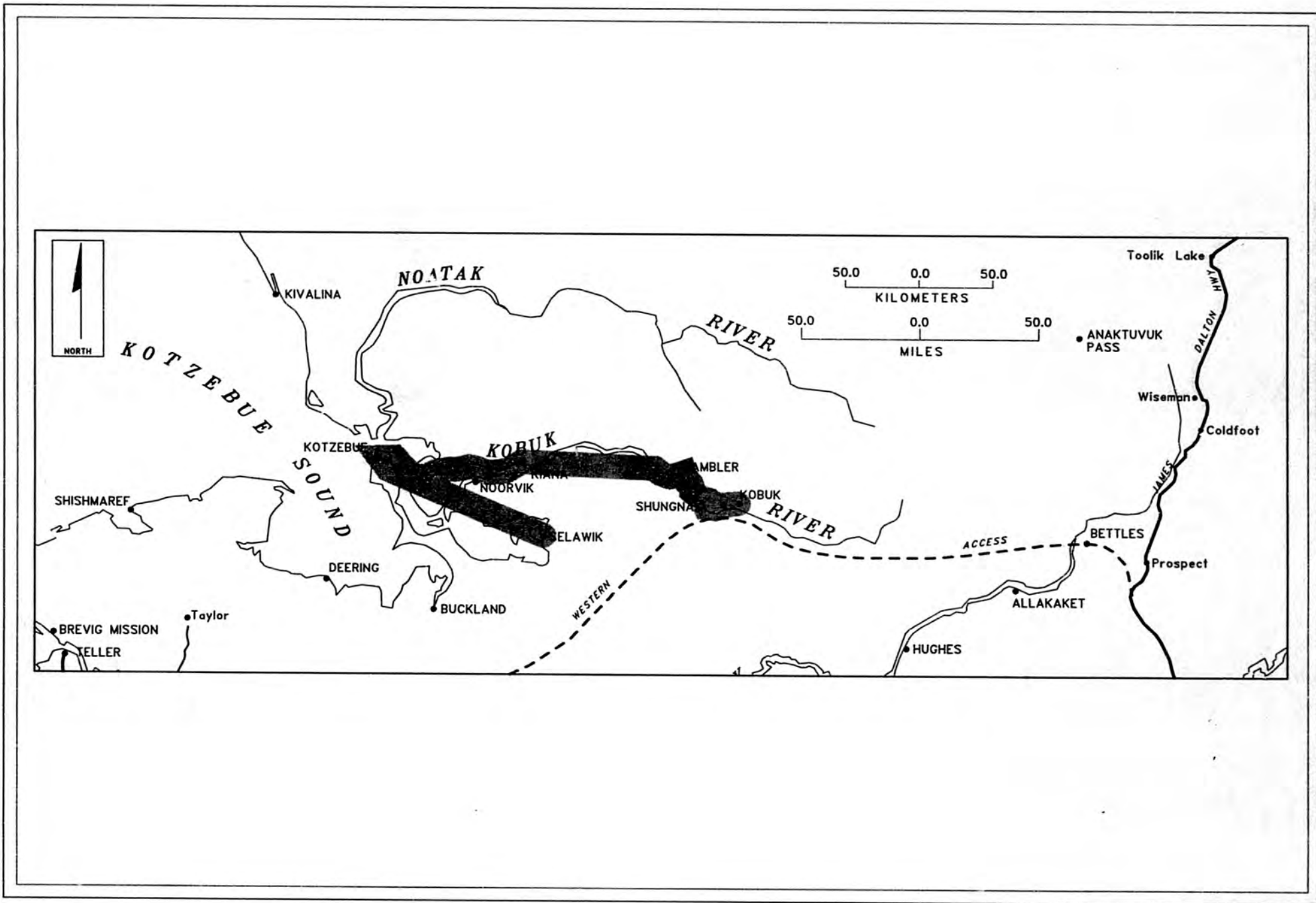
Parks Highway - McGrath Corridor



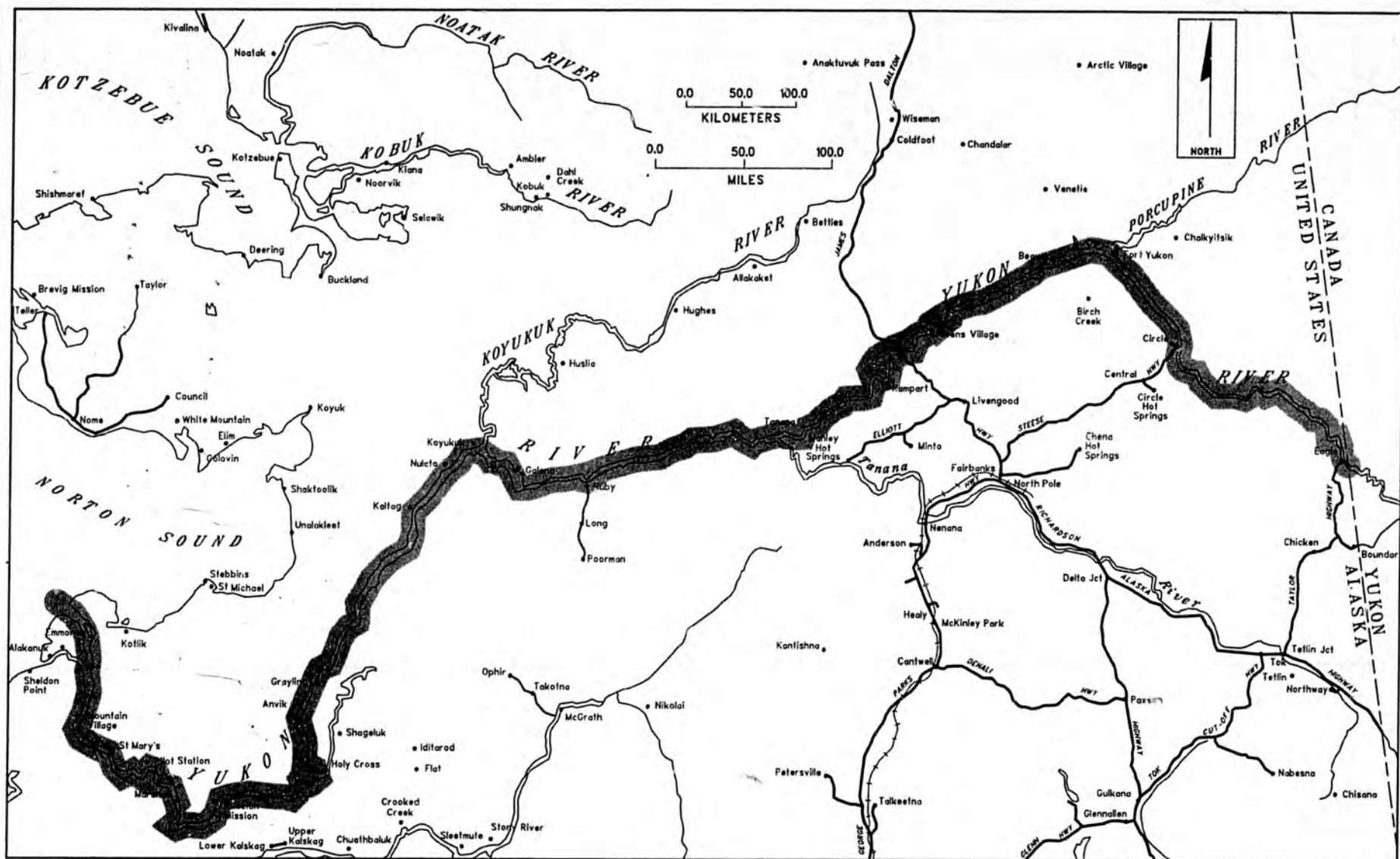
Ruby - McGrath Corridor

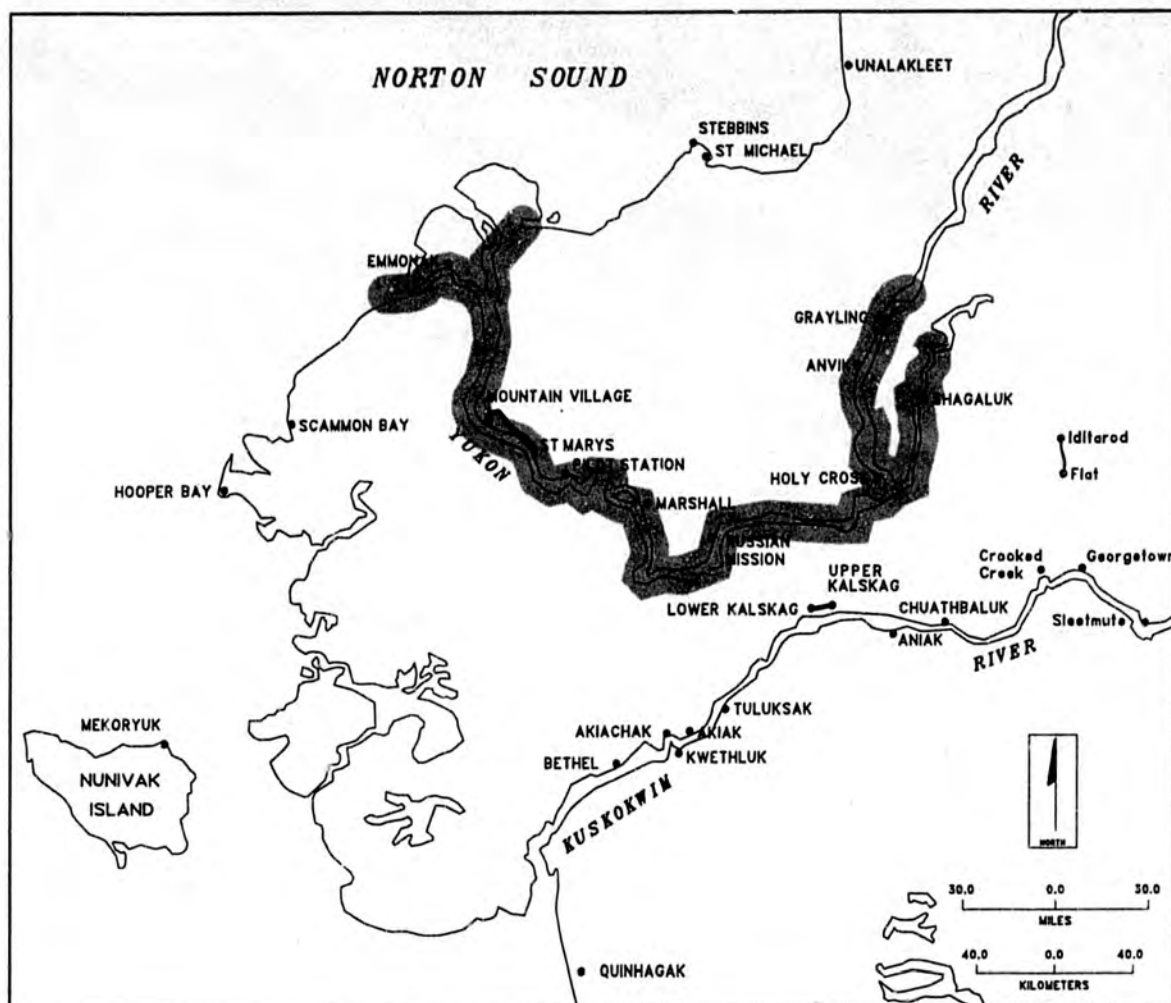


Northwest Alaska Network

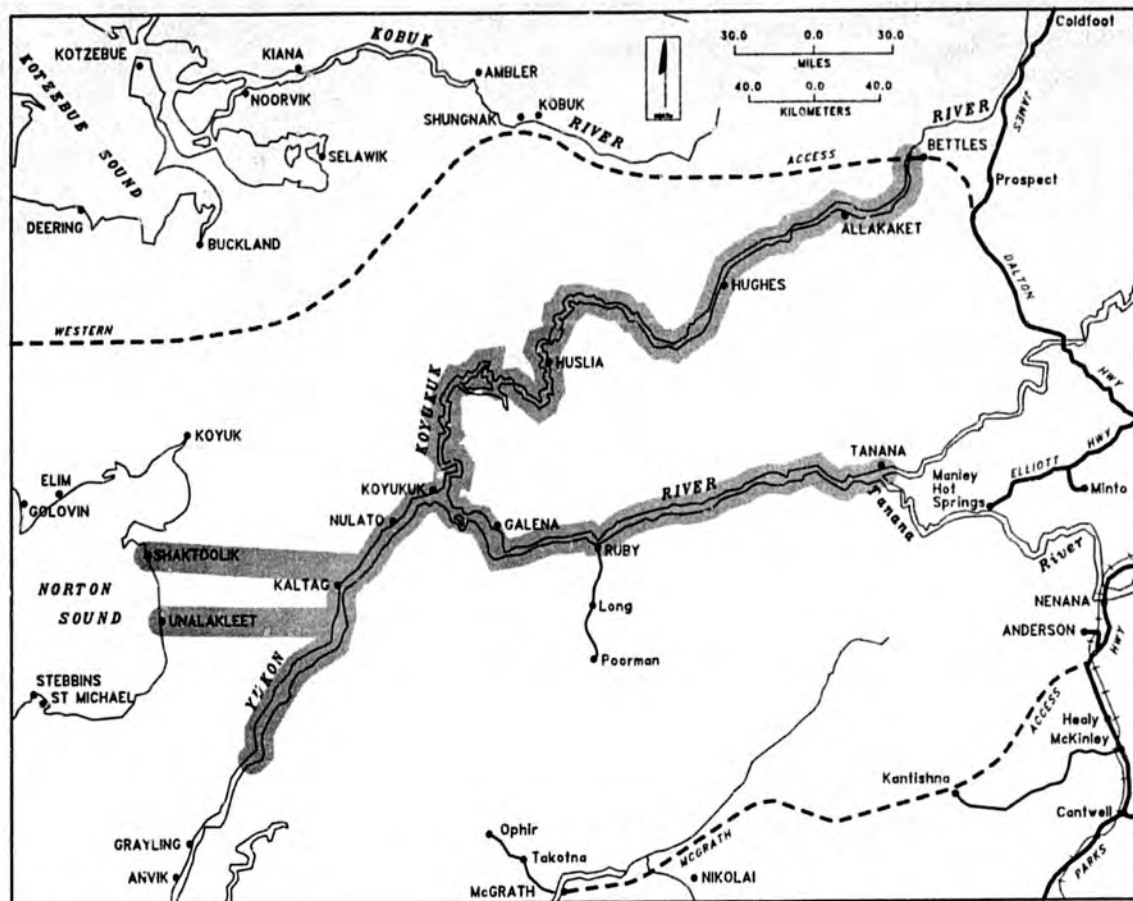


Yukon River Corridor

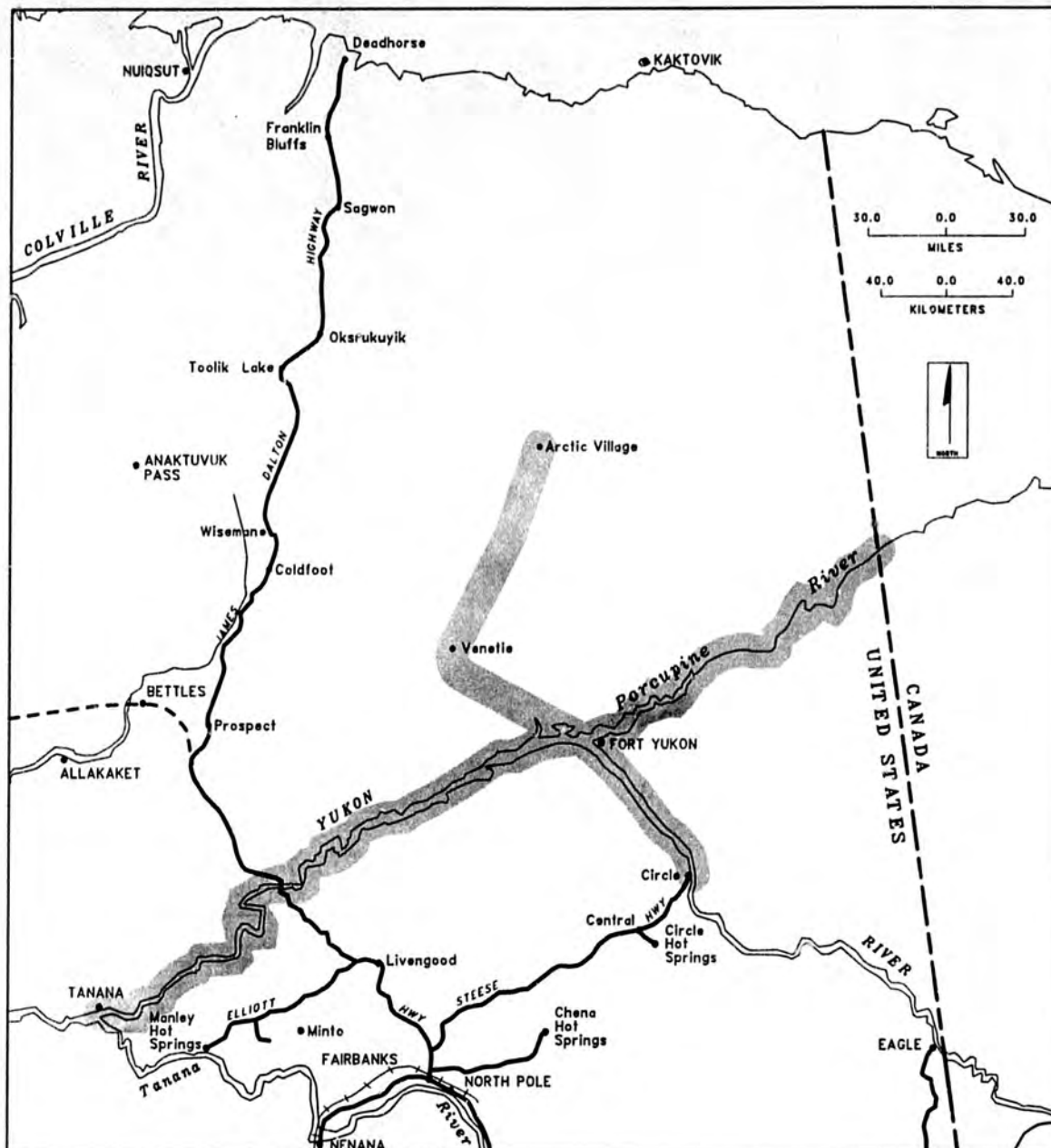




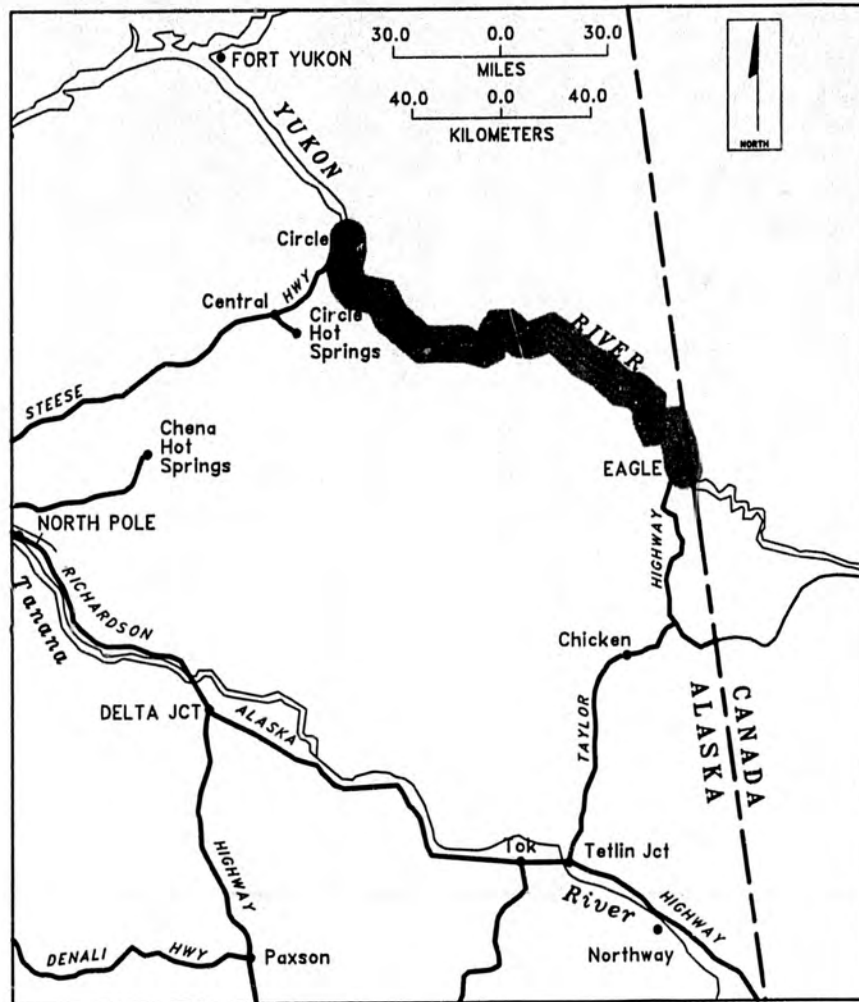
Lower Yukon Network



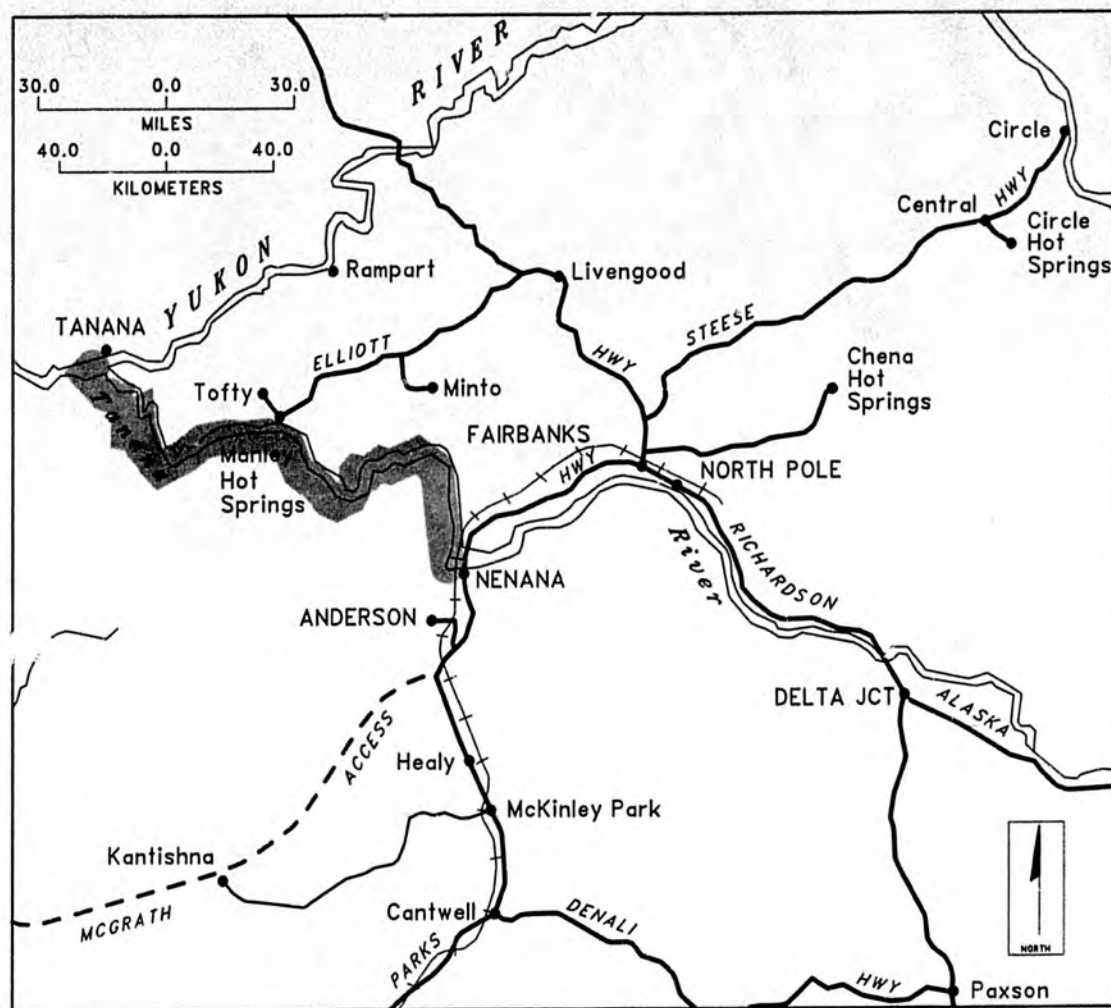
Middle Yukon Network



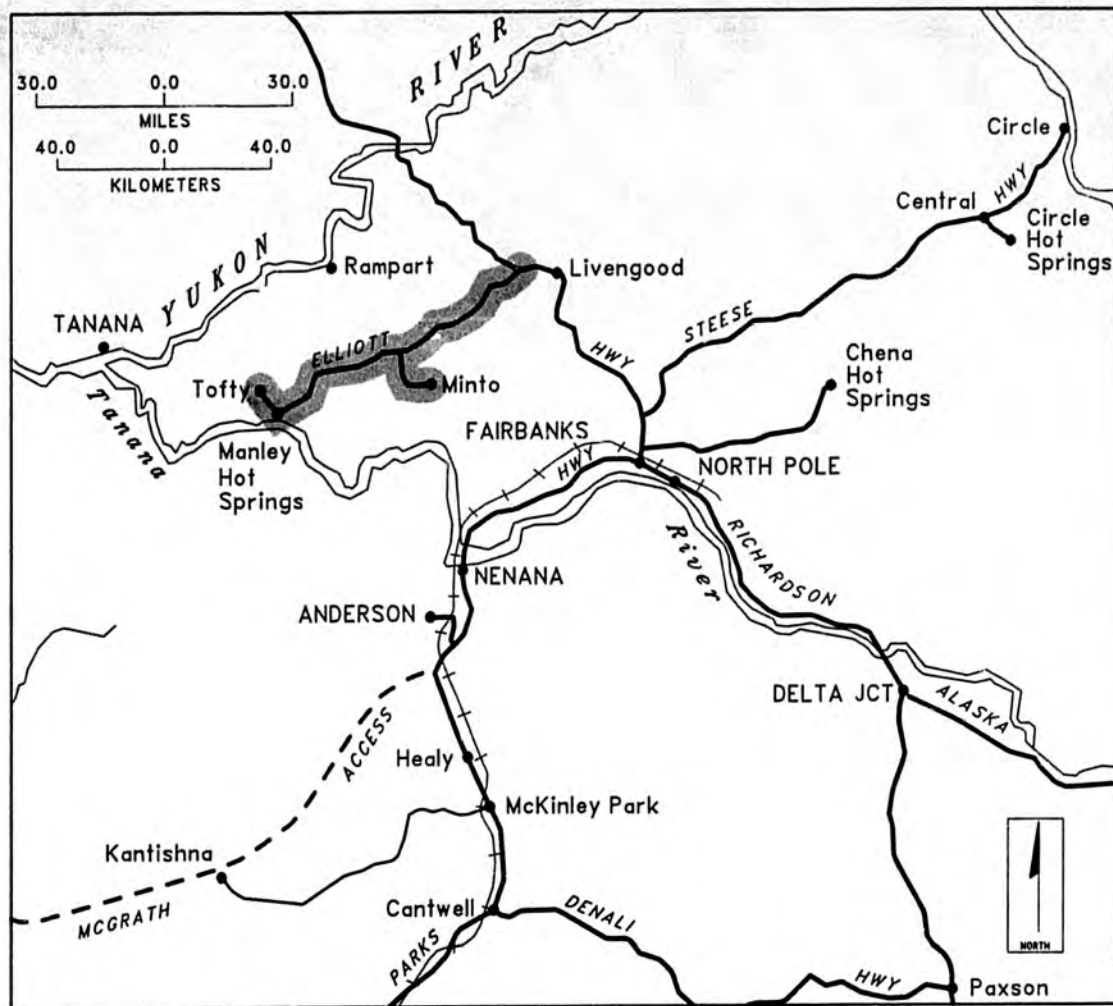
Upper Yukon & Porcupine Network



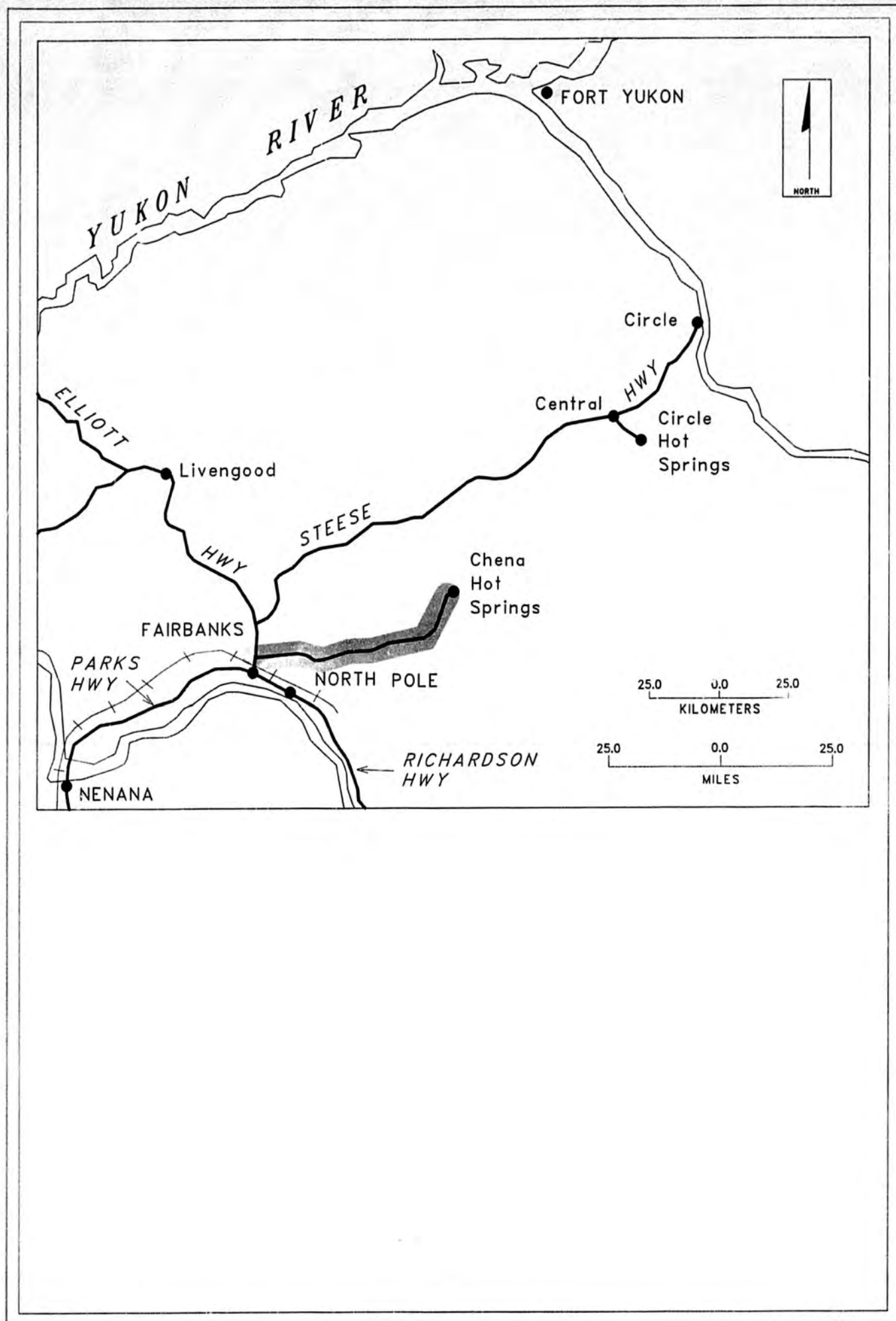
Circle - Eagle Corridor



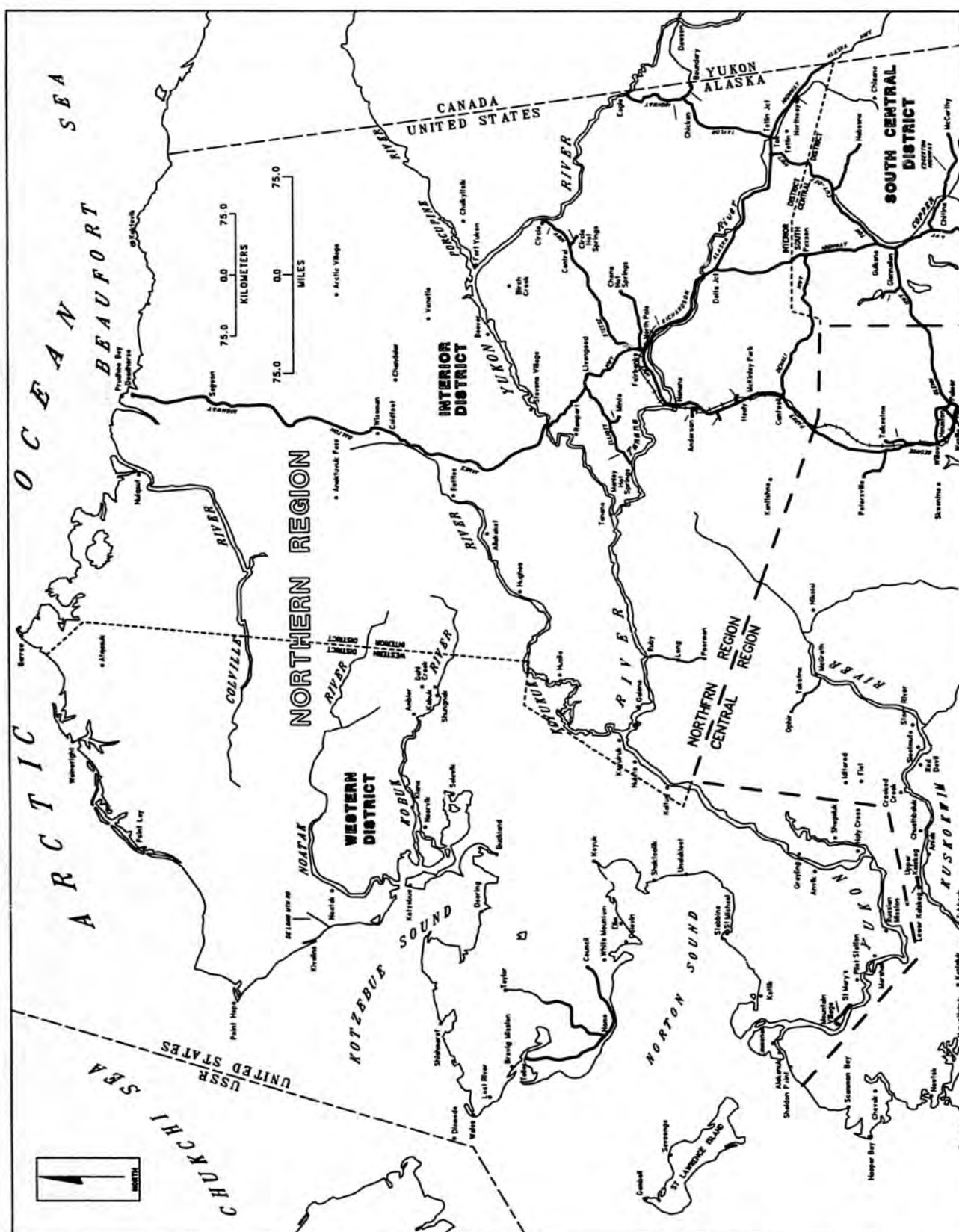
Lower Tanana Corridor



Livengood - Manley Corridor



Fairbanks - Chena Hot Springs Corridor



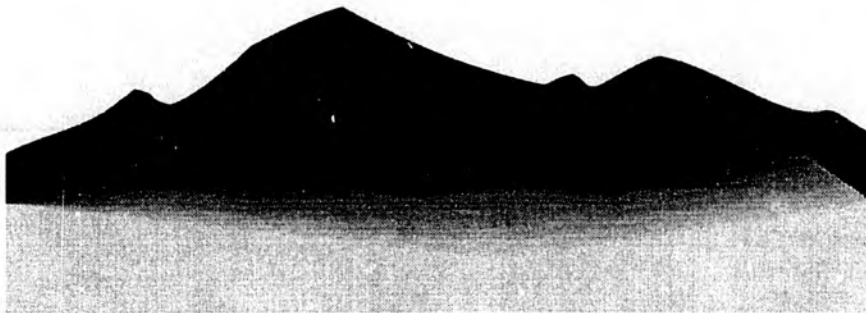
Rural community transportation systems include all transportation facilities in and around a community with the exception of inter-community travel corridors. Included are community and subdivision roads, streets, sidewalks, trails and bike paths. Also included are access to local resources, such as gravel pits and wood cutting areas. Other routes included are connections to airports, barge landings, boat launches and port facilities, sanitation roads to landfills and sewage treatment facilities, roads to water sources, schools, cemeteries, recreation areas and other community facilities.

Rural Community Transportation Systems

APPENDIX C

ALASKA TRANSPORTATION PUBLIC INVOLVEMENT PROCEDURE

**An Integral Part of
VISION 2020:
Alaska's Long-Range Statewide Transportation Plan**



Prepared by:

Alaska Department of Transportation and Public Facilities

Statewide Public Involvement Procedure for the Statewide Transportation Planning Process

I. Purpose

The Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 requires the Alaska Department of Transportation and Public Facilities to establish a proactive public involvement procedure. The procedure will ensure that all Alaskans have full, early and continuing involvement in helping the State fulfill the statewide planning requirements of ISTEA.

II. Introduction

Passage of ISTEA expands the opportunities to inform and involve the public in developing and implementing transportation plans and programs. This legislation stresses the importance of public involvement in the development of each state's long-range Statewide Transportation Plan (SwTP) and short-term Statewide Transportation Improvement Program (STIP).

Public involvement is required when the plan and the program are first established and whenever significant changes are made to them. Involving the public in Alaska must take into account the state's unique geographic, economic, and cultural context. Population centers are widely separated, often with no means of road access. Making involvement opportunities available throughout the state requires forethought and innovation.

III. Goals

1. To be proactive and provide information, timely public notice, access to key decisions and technical and policy information, and opportunities for early and continuing involvement;
2. To consider and respond to public comment during the planning and program development process;
3. To seek out and consider the needs of those traditionally under-served by existing transportation systems; and
4. To periodically review the public involvement process to ensure its effectiveness.

IV. Statewide Transportation Plan Development

The Statewide Transportation Plan (SwTP) is the long-range (20 year) outlook of transportation needs and policies for the state.

Early Public Involvement. Representatives of the Department participate in forums and appear before groups interested in transportation issues and in communities to outline state and federal long-range planning requirements and to encourage the public to participate in developing the plan. The Department will also analyze comments received from the public in the development of the list of projects, Transportation Needs and Priorities in Alaska (Needs List), for applicability to the SwTP.

Focus Groups. Interested groups and individuals will be invited to participate in public meetings, each focusing on an aspect of the SwTP. The meetings will be advertised in the media and open to all interested parties. The Department will seek out those traditionally underserved by transportation (including transit riders, bicyclists, pedestrians, people with disabilities, and others) and encourage their participation.

Statewide Policies. The Department's Statewide Planning Division will use the information gleaned from the early public involvement, the focus groups, and its analysis of statewide transportation needs to develop policies to guide transportation investment and development decisions. These policies will consider the transportation planning factors outlined in federal regulations.

Regional Plan Development. Each of the Department's three regional planning sections (the Regions) will identify the major transportation corridors in their area, and will evaluate the specific transportation needs, impacts and policies in their regions. The Regions will hold public meetings and/or other forums in their areas for review and comment.

Public Review of the SwTP. The regional plans and the statewide transportation policy elements will be combined into a draft SwTP. The draft SwTP will undergo a formal thirty day public review period. Public comments will be solicited through media advertisement and use of the Department mailing lists. Public meetings will be held to discuss the draft SwTP and to solicit public involvement. Comments received during the review period will be considered prior to final SwTP approval.

SwTP Approval. The final SwTP is approved by the Commissioner of the Department of Transportation and Public Facilities. Copies of the official SwTP will be transmitted to the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA),

will be distributed to libraries, and will be available from Department offices upon request.

SwTP Updates. The SwTP will be updated at least every five years. When the update process is to begin, notification will be advertised in the media, providing the public with an opportunity to participate.

V. Statewide Transportation Improvement Program Development

The Statewide Transportation Improvement Program (STIP) is the three-year statewide capital improvement program of transportation projects which is consistent with the SwTP. The STIP is based on the federal fiscal year (October 1 - September 30). The state fiscal year runs July 1 - June 30.

Early Public Involvement at Regional Level. Transportation improvement program development begins each year when the Regions assemble a list of transportation needs. State transportation project needs are identified by the Department. Projects are also identified by communities and interest groups across the state as a result of an invitation from the Department. All proposed projects are ranked using specific criteria. Examples of the criteria include condition, service, capacity, traffic volume, safety and maintenance considerations, and consistency with local development plans.

Public Review of Needs List. The ranked list of transportation needs are assembled in Transportation Needs and Priorities in Alaska (Needs List). A draft of this document is distributed for public review. Public meetings are held throughout the state. The availability of the draft Needs List is also advertised in the media statewide during a thirty day review period, inviting public comment. At the end of the public comment period, the final Needs List is prepared based on an assessment of statewide needs and priorities, consideration of public comments, and the availability of funds. The final Needs List is distributed to the Governor and Legislators and subsequently to local governments and anyone requesting a copy.

Preparation of the STIP. The highest priority highway and transportation enhancement projects on the final Needs List are converted to a three-year draft Statewide Transportation Improvement Program (STIP) in a process that considers technical project evaluation scores, local and quasi-local government priorities, department policies, and available funding levels. Once the SwTP is approved, all projects included in the STIP must be consistent with the policies of the SwTP. The final decision on projects to be included in the STIP is made by the Commissioner. Projects from the approved metropolitan Transportation Improvement Program (TIP), transit projects, and federal lands highways projects are added. The TIP is the three-year program of projects for the Anchorage metropolitan area prepared by AMATS (Anchorage Metropolitan Area Transportation Study). Determinations that the Anchorage TIP projects and projects in non-attainment areas

outside Anchorage are in conformity with the state's air quality implementation plan are made prior to placing projects in the STIP. The Federal Lands Highways Program, administered by the Western District Federal Lands Highway Division, authorizes projects in three categories, Indian Reservation Roads, Parkways and Park Roads, and Public Lands Highways. Projects in the first and second categories are selected by the Bureau of Indian Affairs and the National Park Service respectively. Public Lands Highways incorporates projects in the Forest Highway Program and is administered by the Department, FHWA, and the Forest Service.

Public Review of the STIP. The draft STIP undergoes a formal thirty day public review period. The draft STIP is advertised in the media as available for review upon request. Written comments received during the public review period are considered in preparing the final STIP.

STIP Approval. Following completion of the thirty day public review period and consideration of the comments, the final STIP is prepared and transmitted to FHWA and FTA for approval. Copies of the approved STIP are available from the Department's Statewide Planning Division upon request.

Construction Program. The annual Construction Program is prepared after STIP approval. This is a list of projects in the STIP that the Department anticipates will be advertised for construction during the next calendar year. The Construction Program is submitted to the Governor and the Legislature.

VI. Methods

As illustrated above, the Public Involvement Procedure is composed of several different elements. This array of elements is designed to be responsive to the diverse needs of Alaskan residents and public interests. The activities described below are used in developing both: 1) the SwTP and subsequent updates of the SwTP, and 2) the STIP and each annual update of the STIP. These activities also are triggered by any major revision to the SwTP or to the STIP outside the annual update process. A major revision to the STIP is any change which requires an Air Quality Conformity Determination, an Environmental Impact Statement, or an Environmental Assessment. Minor revisions are changes which do not require this. No further public involvement is needed for minor revisions that add a Needs List priority one project (any or all phases) to the STIP. For other minor revisions, the time provided for public review and comment will be determined by the Regions (in consultation with Headquarters) and local officials based on the complexity of the revision.

Media Advertising. Media advertising, appropriate to the locale as determined by the Regions, is used to provide official public notice of meetings regarding the draft SwTP and its updates and the draft Needs List. The draft SwTP and its updates as well as the draft STIP and

proposed major revisions to the STIP are advertised as outlined in Part VII.

Mailing List. Mailing lists maintained by the department include citizens, affected public agencies and jurisdictions, village/traditional councils, Indian tribal governments, representatives of transportation employees, public and private providers of both freight and passenger transportation, user groups, and other interested parties. Names are added to the lists as requested.

Public Meetings. Public meetings are scheduled in major urban and rural regional centers during development of the SwTP and for annual updates to the Needs List. Teleconferencing is used as appropriate.

Efforts of Others. The public involvement program for Anchorage undertaken by AMATS in the development of its Long-Range Plan and its Transportation Improvement Program (TIP) will satisfy the public involvement requirements for the Anchorage metropolitan planning area by agreement between the Department and the MPO. The Department cooperates appropriately with the public involvement efforts of other government entities such as the Bureau of Indian Affairs which are directly or indirectly involved in developing transportation plans and programs.

VII. Revisions

Notification of any proposal to begin the update process or make a major revision to the SwTP or the STIP is advertised thirty days prior to the proposed action in newspapers in regional centers and/or appropriate notice in other affected communities.

VIII. Documentation

Documentation of the public involvement effort is maintained. This includes records of all notices, advertisements, meetings, and correspondence relating to the SwTP, the Needs List, and the STIP. Documentation also includes a record of comments received and the responses.

IX. Adoption

Notification of the availability of the draft Public Involvement Procedure for the Statewide Transportation Planning Process for public review and comment is made forty-five days in advance of adoption through announcement in the state Administrative Journal and notices in the media. Copies of the draft Public Involvement Procedure are made available upon request.

X. Evaluation

The effectiveness of the Public Involvement Procedure for the Statewide Transportation Planning Process is monitored throughout the development of the SwTP and reviewed on a periodic basis for the STIP. Written comments received from the public on the process, the plan, and the program are used in the evaluation.

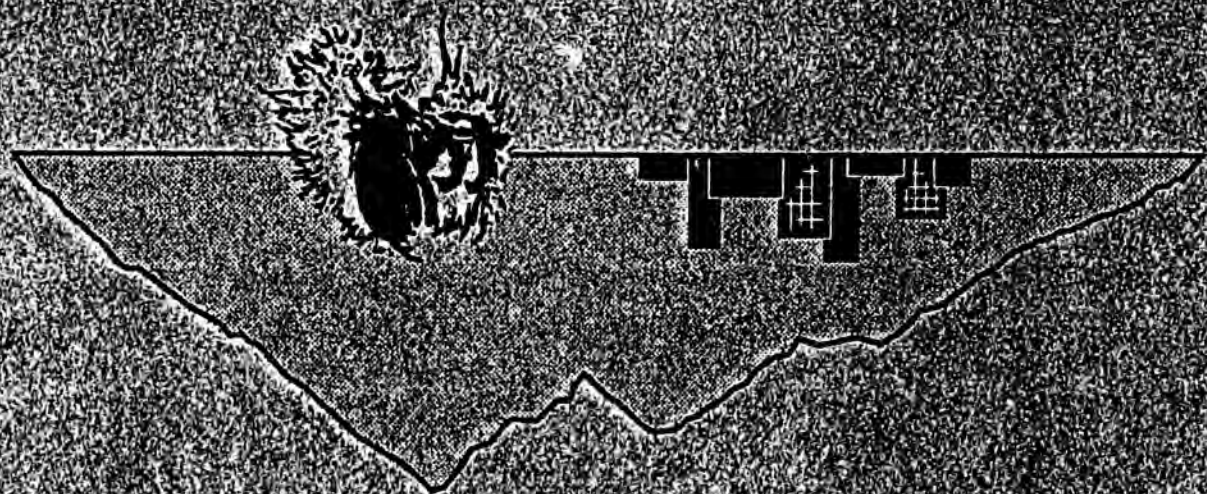
SCOMM

101:39

**THE FOLLOWING DOCUMENT HAS NOT
BEEN FILMED BUT IS AVAILABLE IN THE
ORIGINAL FILE.**

Alaska Taxable

1992



Municipal Taxation - Rates and Policies Full Value Determination Population and G.O. Bonded Debt



State of Alaska
Walter J. Hickel, Governor



Volume XXXII
January, 1993

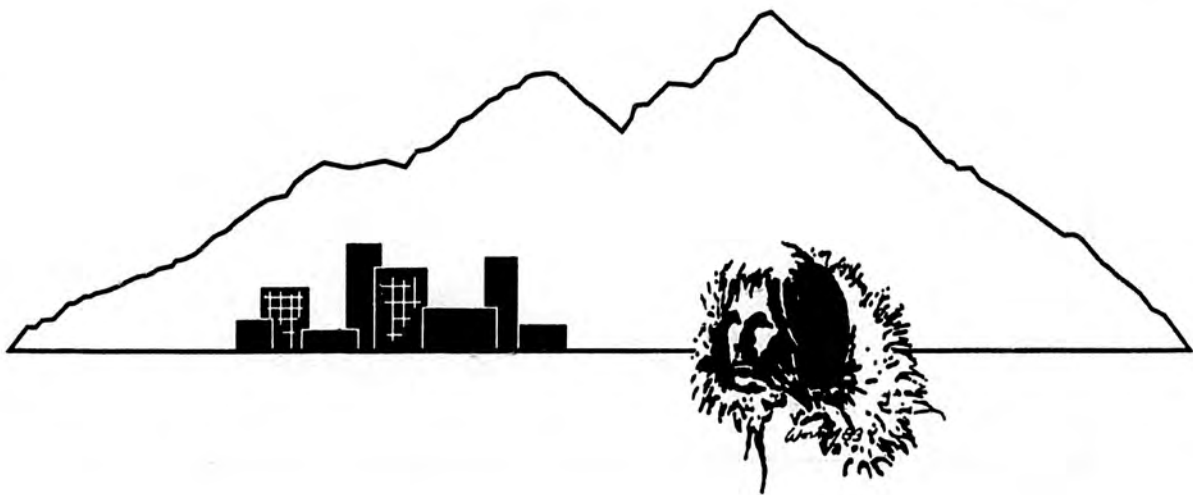
Department of Community and Regional Affairs
Edgar Blatchford, Commissioner

**THE FOLLOWING DOCUMENT HAS NOT
BEEN FILMED BUT IS AVAILABLE IN THE
ORIGINAL FILE.**

Alaska Taxable

1993

MAR 15 1994



Municipal Taxation - Rates and Policies

Full Value Determination

Population and G.O. Bonded Debt

this issue dedicated to the memory of
TERRY L. EARLEY



Volume XXXIII
January, 1994



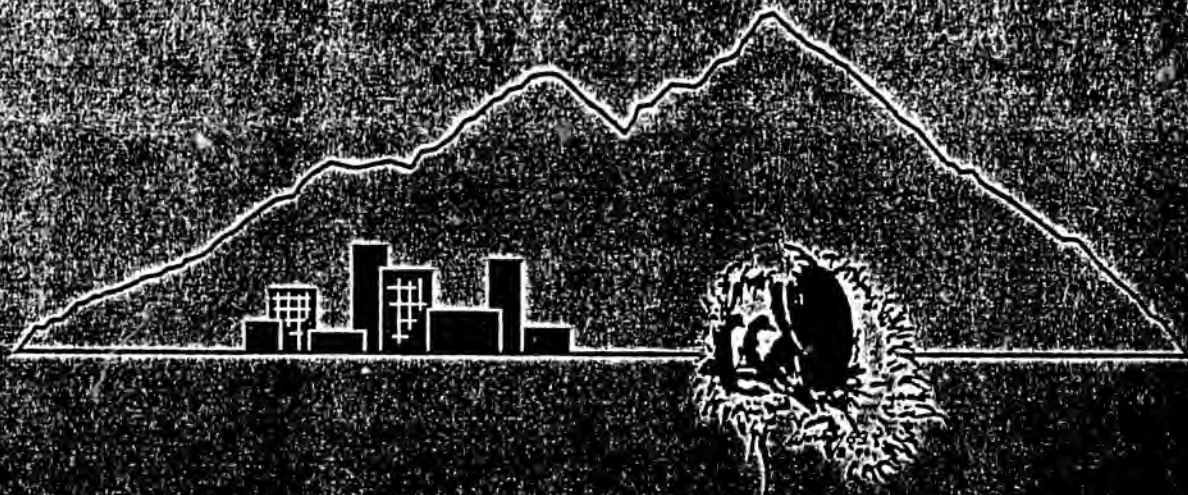
State of Alaska
Walter J. Hickel, Governor

Department of Community and Regional Affairs
Edgar Blatchford, Commissioner

**THE FOLLOWING DOCUMENT HAS NOT
BEEN FILMED BUT IS AVAILABLE IN THE
ORIGINAL FILE.**

Alaska Taxable

1994



Municipal Taxation - Rates and Policies

Full Value Determination

Population and G.O. Bonded Debt



State of Alaska
Tony Knowles, Governor

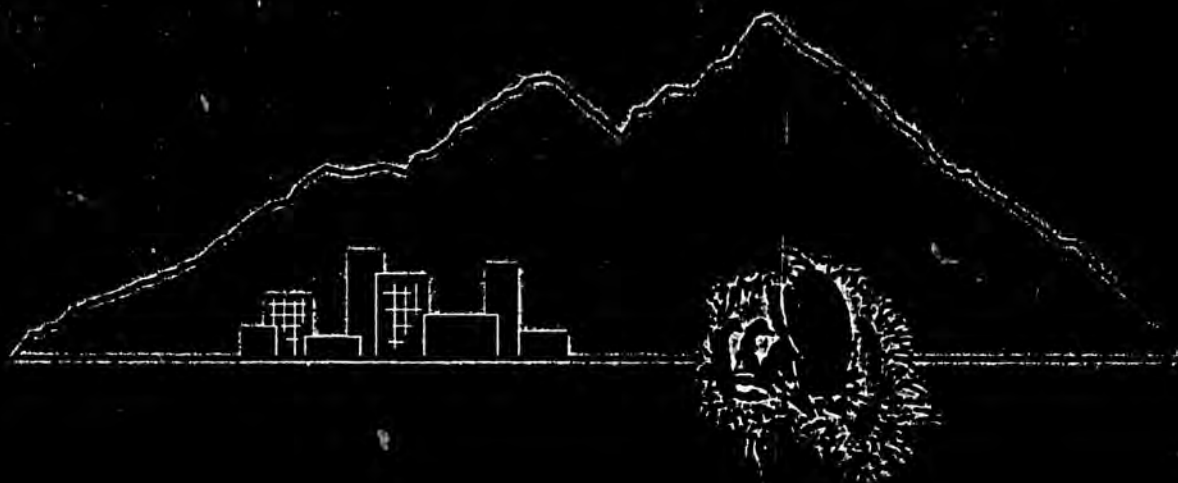
Volume XXXIV
January, 1995



Department of Community and Regional Affairs
Mike Irwin, Commissioner

Alaska Taxable

1994



Municipal Taxation - Rates and Policies

Full Value Determination

Population and G.O. Bonded Debt



State of Alaska
Tony Knowles, Governor

Volume XXXIV
January, 1995



Department of Community and Regional Affairs
Alice Kinn, Commissioner

SCOMM

101:40

ALASKA TOBACCO CONTROL ALLIANCE

Post Office Box 110610

Juneau, AK 99811-0610 • 907/465-3140 Fax: 465-2770

STEERING COMMITTEE:

Alaska Black Caucus

Alaska Dental Society

Alaska Health Fair, Inc.

Alaska Native Health Board

Alaska Pharmaceutical
Association

Alaska Public Health Association

Alaska School Nurses
Association

Alaska State Medical
Association

Alaskans for Drug Free Youth

American Lung Association of
Alaska

Anchorage Partnership
for a Healthy Community

Anchorage School District

Bristol Bay Area Health
Corporation

Municipality of Anchorage,
Department of Health and
Human Services

Rural Alaska Community Action
Program

Sitka Alliance for Health

Sitka Teen Resource
Center

State of Alaska Department of
Education

State of Alaska Department of
Health and Social Services:
Division of Alcohol and Drug
Abuse, Division of Public
Health, Section of Community
Health Services, Section of
Epidemiology

Tanana Chiefs Conference, Inc.

Yukon-Kuskokwim Health Corporation

Raising Tobacco Taxes: Saving Lives and Recovering Health Care Costs

Prepared for the Long Range Financial Planning Commission

Alaska Tobacco Control Alliance

American Lung Association of Alaska

May 20, 1995

MAJOR RECOMMENDATION: A significant increase in state excise taxes on tobacco products should be a part of a long-range financial plan to increase revenues, recover health care costs and save lives. Taxes should be increased to at least \$1 per pack on cigarettes with a comparable increase for smokeless tobacco products.

"Raising tobacco taxes just begins to make tobacco pay its fair share, it's not about punishing anybody, but about saving lives, protecting our kids from becoming addicted to tobacco, and recouping some of the costs tobacco imposes on all of us."

Coalition on Smoking or Health, Saving Lives, Raising Revenue,

The Alaska Tobacco Control Alliance is a coalition of over 200 organizations and individuals state-wide who are concerned about the effects that tobacco use has on our communities and our state. The Alliance has been active throughout the state on a grass-roots level to assist rural and urban communities to address the consumption of a product which, when used exactly as intended, causes addiction, disease and early death.

Within the last few years state governments across the nation have targeted increased tobacco taxes as a means to raise revenue. Meanwhile, many of these states are experiencing a reduction in tobacco product use, especially among children. This reflects what a growing number of studies have shown: increased taxes are highly effective at reducing tobacco product consumption. Although consumption decreases, the taxes do indeed increase revenues, which in turn can be used to offset health care costs while simultaneously decrease the number of people who are at risk of developing a tobacco induced illness.

Increased Tobacco Taxation Makes Financial Sense

Currently, the State of Alaska has an excise tax of \$.29 per pack of cigarettes while the tax rate for other tobacco products is 25% of the wholesale price. In the last two years, a number of states have raised their tax to over \$.50 per pack. Michigan currently has the highest rate of taxation \$.75/pack, but on July 1, 1995, Washington's tax rate will be over \$.80 per pack.¹

¹ Action on Smoking and Health, *State Cigarette Excise Tax Rates*, January 1995

In fact, the Department of Health and Social Services, Division of Public Health issued the Alaska Cancer Control Plan which pointed out the enormous toll taken by tobacco use in Alaska and recommended that the Legislature "substantially increase the excise tax to at least two dollars on all tobacco products."²

In Fiscal Year 93-94, the State of Alaska collected \$15,548,200 in excise taxes on cigarettes and \$1,403,800 from the sale of other tobacco products.³ It can be estimated that with a cigarette tax increase of \$1 per pack, upwards of \$30 million in new revenue would be generated.

This would in turn offset revenue shortfalls while no doubt resulting in long-term public health benefits and medical costs savings.

Increased Tobacco Taxation Will Offset Alaska's Health Care Costs

According to the Centers for Disease Control, Alaska has the *sixth* highest rate of smoking in the nation and the *sixth* highest rate of smoking related death.⁴ The Department of Health and Social Services says that tobacco use is the *leading cause of death* in Alaska, responsible for more than *one out of five deaths* of people over the age of 35.⁵

Between 1989 and 1991, the total of smoking attributable costs increase by \$44.4 million.

	1989	1991
Direct Costs (all health care costs)	\$34.1 million	\$45.6 million
Indirect Mortality Costs (earnings and salaries forfeited by persons dying prematurely)	\$38.4 million	\$67.9 million
Indirect Morbidity Costs (lost earnings and productivity)	<u>\$10.7 million</u>	<u>\$14.1 million</u>
TOTAL	\$83.2 million ⁶	\$127.6 million ⁷

The health costs of tobacco use also drive up Medicaid, Medicare and other public health service costs. Taxes only recover a fraction of the costs.

2. Alaska Division of Public Health, *Alaska Cancer Control Plan*, January 1994

3. Memo from the Alaska Department of Revenue, Income and Excise Audit Division, December 1994

4. U.S. Centers for Disease Control and Prevention, Morbidity and Mortality Weekly Report, Vol. 43

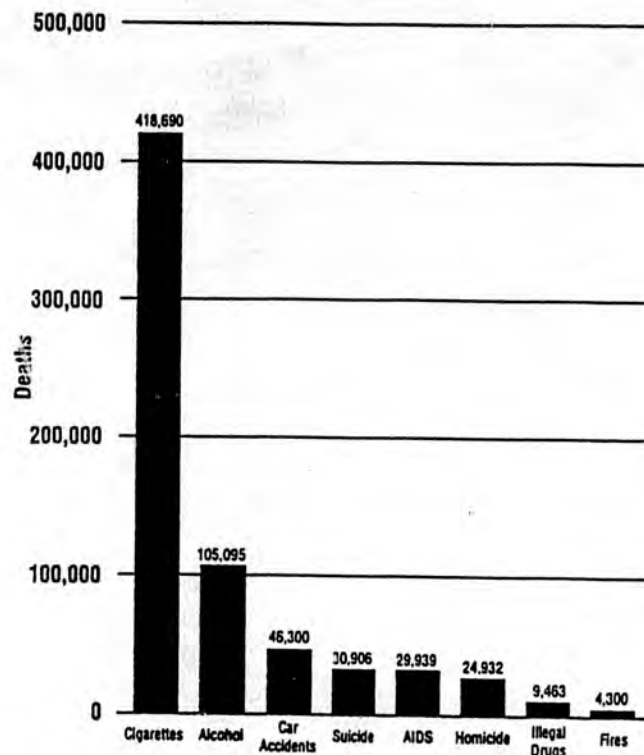
5. Alaska Division of Public Health, Section of Epidemiology, Bulletin No. 23: *Bulletin Costs of Smoking in Alaska, 1991*

6. Alaska Division of Public Health, *Alaska Cancer Control Plan*, January 1994

7. Alaska Division of Public Health, Section of Epidemiology, Bulletin No. 23: *Bulletin Costs of Smoking in Alaska, 1991*

Increased Tobacco Taxes Save Lives

Nationwide, tobacco kills more people than alcohol abuse, car accidents, AIDS, cocaine, heroin, murders, suicides and fires combined.⁸



Nearly 84 percent of adult Alaskans who smoke started between the ages of 10 and 20 years of age.⁹ From the growing body of evidence, we know that increasing the price of tobacco is one of the most effective strategies we have to reduce consumption, especially among kids. For the adult tobacco product consumer, studies indicate that a 10 percent increase in price will reduce consumption by between 2 and 5 percent.¹⁰ The U.S. General Accounting Office found that for every 1 percent increase in the price of cigarettes, 1 percent fewer kids would take up smoking.¹¹

The affordability of tobacco products is the most important factor in determining the number of kids who will start smoking. Teenagers are much more responsive than adults to increases in the price of cigarettes because they have less disposable income and may be three times more sensitive to price increases than adults' consumption. Also kids are usually less addicted than many adult smokers and are more likely to be able to stop smoking when prices increase.

8. U.S. Centers for Disease Control and Prevention, U.S. Department of Health and Human Services, 1990 data

9. Alaska Division of Public Health and Alaska Area Native Health Service. *1989 Alaskan Adolescent Health Survey*

10. U.S. Dept. of Health and Human Services, *The Impact of Cigarette Excise Taxes on Smoking Among Children and Adults*

11. U.S. Government Accounting Office, *Teenage Smoking : Higher Excise Taxes Should Significantly Reduce the Number of Smokers. 1989*

Since the last increase in 1989, inflation has eroded much of the dampening effect that the increase had on consumption. The tobacco tax increase is the single most effective action that the State can initiate to reduce tobacco use among youth and reduce the future public burden for treating the diseases that result.

Increased Tobacco Taxation Has Public Support

- As noted by former Surgeon General Koop, "...polls show that almost 80% of Americans- Republicans and Democrats, young and old, men and women- support a large cigarette tax."¹²
- Numerous surveys have shown that tobacco taxes are popular with the voters, especially when revenues are spent on health programs. A statewide survey sponsored by the Department of Health and Social Services in September 1994, found that 65.4 percent of Alaskans would favor increasing the state cigarette tax by \$.75 per pack if the money was used for health programs.¹³
- The recent election in Anchorage proved that there is wide-spread support for increased tobacco taxation. The municipal advisory proposition passed by a vote of 68 percent . The Anchorage Assembly mirrored public sentiment by approving the proposition by a vote of 10 to 1.

Conclusion

There is no doubt that increased tobacco taxes make financial sense. The Alaska Tobacco Control Alliance supports the efforts of the Long Range Financial Planning Commission in it's endeavor to fill the ever-widening fiscal gap. We recommend that a new source of revenue is an increased tax on tobacco produces. The Alliance pledges to assist and provide support to the Commission to ensure an increase of the tobacco tax.

If you have questions or comments, please call:

Jim Murphy
Executive Director
American Lung Association of Alaska
(907)263-2080

Jenny Murray
Tobacco Policy Coordinator
American Lung Association of Alaska
(907) 263-2092

12. C. Everett Koop, "A Tax That's Good For You," Washington Post (September 21, 1993) C. Everett Koop served as U.S. Surgeon General from 1981-1989.

13. Survey sponsored by the Alaska Department of Health and Social Services; conducted by Mathematica Policy Research, September 1994