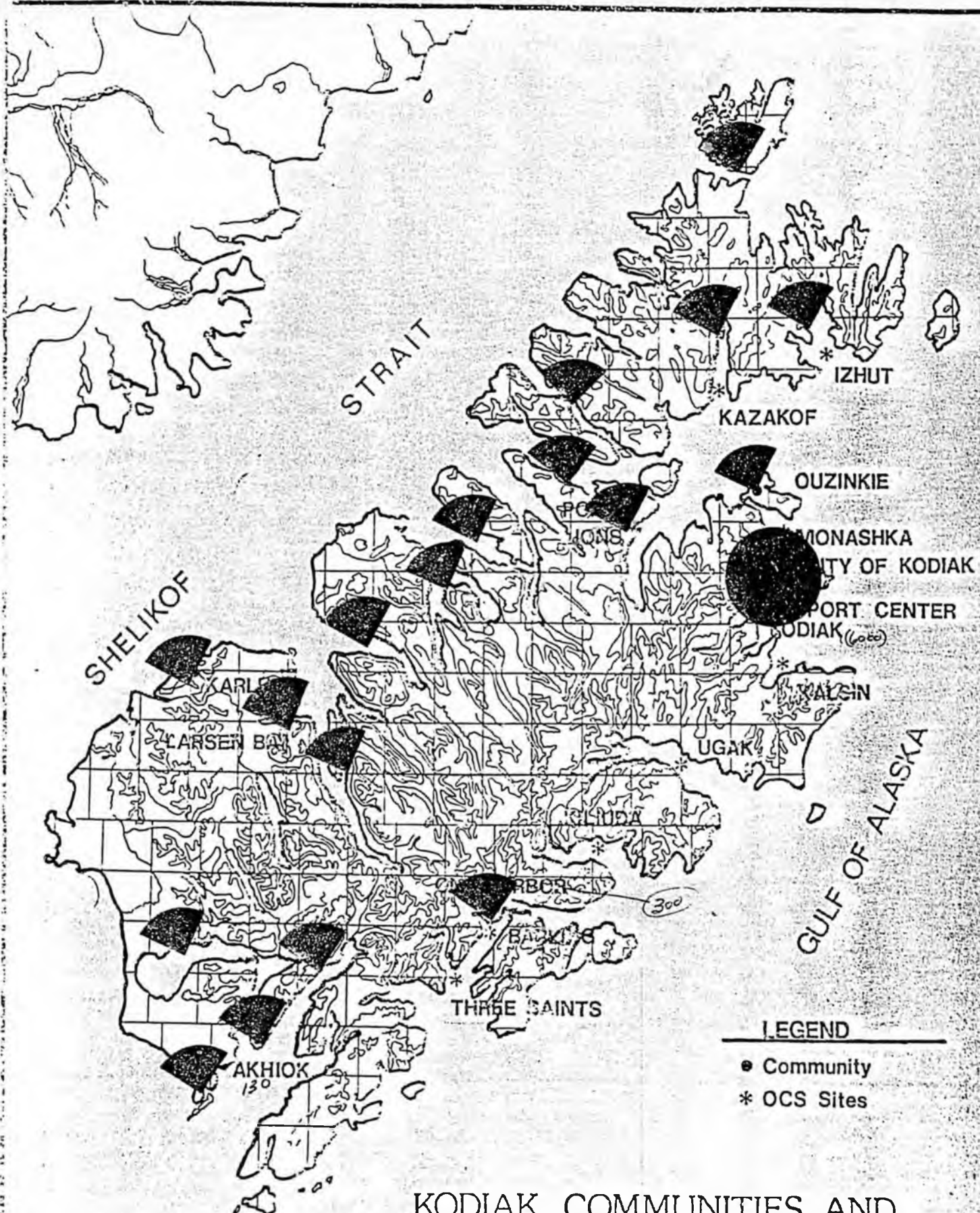


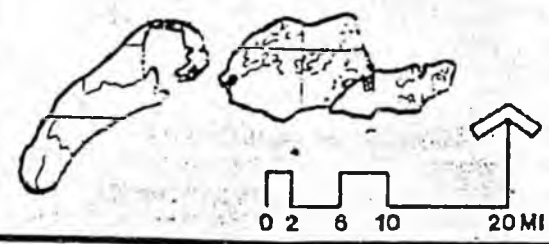
ALASKA LEGISLATURE COMMITTEE FILES 1900-1900 00/2

3813 HTRA HJR 16 - HR 5 689



KODIAK COMMUNITIES AND POTENTIAL O.C.S. SITES

kodiak island borough regional plan and development strategy



Base prepared by AEIDC from USGS maps

Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

DATE: 07 FEBRUARY 1985
TO: MIKE FORD
FROM: Rhonda Cargill *RC*
Staff, House Transportation Committee
RE: WORK DRAFT 14-0566

Please add the following legislators as co-sponsors to this resolution and provide us with a final copy so that we may have it read across the floor this morning.

THOMPSON
HERRMANN
M.M. MILLER
M.W. MILLER
JOHN BINKLEY
ROBIN TAYLOR
JOHN SUND
BEN GRUSSENDORF
FRITZ PETTYJOHN

JIM DUNCAN
AL ADAMS
MIKE DAVIS
SAM COTTEN
JACK FULLER
PETER GOLL
MIKE NAVARRE
STEVE REIGER
MARCO PIGNALBERI

Thank you so much for your expedient response.

Alaska State Legislature

House of Representatives

Committee on Transportation

Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

CO-SPONSOR FORM

Date: 5 February 1985
To: All Representatives
From: Representative Bette Cato

I am sponsoring a house joint resolution relating to essential air service (please see the enclosed copy of the resolution). If you would like to co-sponsor the resolution, please sign your name below:

<u>Adelheid Herrmann</u>	<u>Michael W. Hill</u>
<u>Wendell Hill</u>	_____
<u>John B. Bay</u>	_____
<u>Christophe Taylor</u>	_____
<u>John Taylor</u>	_____
<u>Sam Jensen</u>	_____
<u>Jim Duncan</u>	_____
<u>Al Adams</u>	_____
<u>Archie D.</u>	_____
<u>Sam Estlin</u>	_____
<u>Jack Fuller</u>	_____
<u>Peter Juel</u>	_____
<u>Mike Savane</u>	_____
<u>Alan Rieger</u>	_____
<u>Aritz Holtz</u>	_____

ASAP (before the
Susan Anderson
ASAP)

16 FEBRUARY

To: Mike Ford, Legal Services

From: Rhonda Carjell, P.A. Trsp Committee

RE: HJR 16 (draft # 0566)

Please draft the following
changes for a CS HJR 16 (TRSP):

line 8 add after the United States

line 9 add after the President of the United States
proposed budget for
fiscal year 1986
would eliminate

line 9 delete after the [DEPARTMENT OF TRANSPORTATION
IS CONSIDERING ELIMINATING]

line 10 delete after program [FROM THE NEXT FISCAL
YEAR BUDGET]

line 16^{or 17} add after that Congress fully fund the
Essential Air Service Program and that
the U.S. Department of Transportation

line 16 + 17 delete after that [THE U.S. DEPARTMENT OF
TRANSPORTATION IS RESPECTFULLY

line 18 delete after the [ESSENTIAL AIR SERVICE]

Add another WHEREAS which says something to the effect that -

Whereas the Federal law provides for the continuation of the program until 1988;

Add to the list on line 19: President Reagan, Senator George Bush, President of the Senate and Tip O'Neil (R.I.) Speaker of the House.

The above language was suggested by Mark Wiltow in Wash. D.C. ~~as~~ since the President has already submitted his budget to Congress & it does eliminate the funding for this program. If you have any questions, please call me at 465-4858

^{on us}
One last thing, Rep. Cato has scheduled this resolution for Tues. Feb 19 7:00 A.M.

Thanks so much for your help.

TRANSPORTATION COMMITTEE DAILY AGENDA

=====

- 1) CALL MEETING TO ORDER
- 2) NOTE MONTH/DAY/YEAR Tuesday, February 19, 1985
- 3) NOTE TIME: (7:00 a.m.)
- 4) NOTE MEMBERS PRESENT AND EXCUSED

--Note: For the record, also note any late arrivals to the meeting.

- 5) RECOGNIZE VIP'S
- 6) REMIND PARTICIPANTS TO SIGN THE WITNESS REGISTER
- 7) BRING BEFORE THE COMMITTEE CS HJR 16 (TRSP) TO BE ADOPTED

The main difference between HJR 16 and the committee substitute is we needed to up-date the language to the present time. When originally drafted, the President had not yet submitted the budget to Congress. Now he has.

- 8) INTRODUCE WITNESSES--The following will testify on CS FOR HJR 16 (TRSP):
 - ° Representative David Thompson
 - ° Reed Stoops and Bob Jacobsen of the Air Carriers
- 9) ANNOUNCE TIME OF ADJOURNMENT

COMMITTEE REPORT
HOUSE

(7)

FURTHER:

2/8/85

Date: 19 FEB. 1985

The Committee on TRANSPORTATION has had HJR 16
"An Act relating to essential air service."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HJR 16 (TRSP) same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Bette Cat
Dick Shurt
Adelheid Herrmann
Mike Dean

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Andie M. Do Not Pass
Walt Furnace No Rec

Bette Cat
 CHAIRMAN

HOUSE RESEARCH AGENCY

14-109

RESEARCH REQUEST FORM

Request #

KEY WORDS

Representative Cato

Impact of deregulation on Alaska

Requested for (Legislator)

Air Carriers

Rhonda Cargill (4252)

Requested by (Legislative staff)

ASSIGNMENT

04/27/84

David Tani

Date and time request received

Staff (8854) Date

CONFIDENTIAL? Yes No

SUBJECT DESCRIPTION

answer questions (see attachment) on the impact of deregulation on air carriers in Alaska.

PURPOSE:

Background Info/Pertinent Files?

ANTICIPATED COMPLETION DATE: May 14, 1984 (Anticipated)

DELIVER TO: _____
(Name)

(Address)

2-11-81
State Office

QUESTIONS ON IMPACT OF DEREGULATION TO-DATE IN ALASKA

Q. Comparison of service to selected communities now with pre-deregulation period

<u>Type of A/C</u>	<u>Frequency</u>	<u>Cost</u>	<u>No. Carriers</u> <u>serving Community</u>	<u>Population</u> <u>of Community</u>
--------------------	------------------	-------------	---	--

Q. Is there any government subsidy, either federal or state, either now or pre-deregulation, to commercial air carriers in Alaska? Who gets the subsidy, the carrier or the community? Which communities benefit from the subsidy? What are criteria for getting subsidy?

Q. What contingency plans exist to maintain an essential level of service, should the present competitive situation lead to a deterioration in the level or quality of air service to remote communities?

Q. Some indication of the relative weighting of air freight and mail revenue compared to passenger revenue for air carriers operating in Alaska. What is happening to mail contracts as a result of deregulation and is there any effect on the level of competition?

Q. Is the passenger-mile cost of travel to Seattle from Alaska higher than travel in the Southern 48? If yes, why? Is the passenger-mile cost within Alaska much higher than between comparable communities in the Lower 48? If yes, why?

Q. What operating costs are imposed by the State and by the federal governments? (i.e. landing fees, fuel tax, lease of airport property etc.). What proportion of the fare do these represent?

Q. What percentage of seats on flights between Alaskan communities, and the major centres of Alaska, are economy, discount and deep discount?

Q. How many communities depend on air access? i.e. how many are connected by road?

Q. What is the per capita disposable income in Alaska, and does it vary much by community?

Q. Has deregulation resulted in many bankruptcies?

Q. Has deregulation had any effect on safety margins?

Q. One argument that has been used against deregulation in Yukon is that carriers would come up from the south in the summer, 'Skim off the summer cream' and leave the local carriers with insufficient cash to tide them through the lean winter months, leaving communities without service in the winter. Was this argument used by carriers in Alaska against deregulation? Has this effect happened? How many of the carriers in Alaska are Alaska-based?

Q. Are communities generally happy with deregulation?

Q. What are the long-run projected effects of deregulation?

INFORMATION FROM THE ALASKA CIVIL AERONAUTICS BOARD

I talked to Mr. D. Steinman from the CAB a few weeks ago. He gave me the following information on the effects of deregulation.

a) Pre- Deregulation

Air service was guaranteed to 230 communities. 187 communities received a subsidy under regulation 406. Practically all communities only have air access. Only 12 have road access, although some communities have barge access in the summer months.

b) Deregulation

Small communities in the US are guaranteed air service under the 'Essential Services to Small Communities Program' (Regulation 419). This will be phased out in 1988. Only 42 communities receive this subsidy at present.

The incumbent on a route at the time of deregulation (1978) has to maintain service on the route if no other carrier is willing to provide service. Wien Air used to provide service to most communities, usually through subcontracting to smaller airlines. At present Wien is obligated to provide service to only 8 communities. This indicates that smaller airlines are managing to provide viable service to most communities.

Mr. Steinman said people were generally happy with deregulation. Arguments by Wien Air against deregulation in areas of small, thinly-spread population in retrospect seem to have little plausibility, he said.

He said many communities were receiving more frequent service than before. In many cases they are receiving service from more than one carrier

P. FAIRMAN

POLICY ANALYSIS PAPER NO. 82-8

Airline Deregulation
-A Briefing Paper-

August 24, 1982



STATE OF ALASKA

OFFICE OF THE GOVERNOR

Division of Policy Development and Planning

POUCH AD

JUNEAU, ALASKA 99811

(907) 465-3577

Airline Deregulation
-A Briefing Paper-

The Civil Aeronautics Board (CAB) is a federal agency which regulates air transportation in the United States. The agency is scheduled for elimination in 1984 and has already begun to diminish its role, most noticeably in the area of regulating routes and fares. Other functions, such as determination of payments for mail and passenger service, will be phased out over the next two years. The demise of the CAB is of special importance to the State of Alaska because of the State's heavy reliance on air transportation, particularly on subsidized air transportation to rural areas. This paper briefly discusses several issues arising from the sunset of the CAB. Those issues include subsidized passenger service, subsidized mail service, and the State's role in filling the regulatory gap which will expand as CAB responsibilities diminish.

The Air Subsidy System

Section 406 of the Federal Aviation Act of 1958 provides certain regional or local air carriers with federal funding in order to encourage passenger service to small communities. Alaska contains nearly half (183) of the nation's communities on the subsidized air transportation system. Air carriers currently receive about \$10 million annually for providing passenger service to Alaskan communities. In Alaska, only Wien Air Alaska, Alaska Airlines, and Kodiak Western Alaska receive subsidies directly from the federal government; these air carriers may (and often do) subcontract with other air service operators to provide service to small communities.

In addition to calling for a gradual reduction of federal functions in terms of authorizing carriers, routes, and tariffs for air transportation services, the Airline Deregulation Act of 1978 established a new air service subsidy program under Section 419. The Section 419 subsidy system was designed to replace subsidies paid under Section 406. Some major differences between Section 406 subsidies and Section 419 subsidies are described below.

- ° Subsidy Points - The Section 406 subsidies were generally applied to an entire route system; Section 419 subsidies apply to specific points called Essential Air Service (EAS) points.¹

¹ A community is an EAS point if: 1) in 1978, it was authorized to be served by an air carrier operating with a certificate issued under Section 401 of the Federal Aviation Act; 2) it was deleted from a 401 certificate after 1968 and the CAB designates it as an eligible point; or 3) it is in Alaska or Hawaii and the CAB designates it as an eligible point. In designating EAS points, the CAB is directed to consider current and potential traffic, cost of providing transportation, availability of alternative means of transportation, and the degree of isolation of the community.

- Allocation of Subsidies - Section 406 subsidies were allocated on a non-competitive basis to carriers holding operating certificates issued under Section 401; Section 419 subsidies are to be allocated on a limited competitive basis to any air carrier. Considerations other than cost of service include level of service, experience of the applicant, and the potential for an "integrated linear system" of service. This last criterion means that the CAB may request bids for service to clarify clusters of communities rather than separate bids for each community.
- Replacement of Carriers - After January 1, 1983, any air carrier may "bump" the designated EAS provider if the current provider has served a point for at least two years and if the potential carrier can show that replacement service will be improved at no additional cost or that essential air service will be provided at a lower cost. Section 406 has no provisions for replacing low quality or high cost carriers.

The primary purpose of Section 419 was to encourage continued passenger service to communities which might otherwise be left without scheduled service when other sections of the Act allowed carriers to transfer their resources to other markets. Although both Wien and Alaska Airlines took advantage of the revised market entry rules and expanded service to points outside Alaska, the expansion did not reduce existing service in Alaska. One reason is that much of these carriers' rural Alaskan air service has been subcontracted to local air taxi operators for several years. The subcontractor system provided little incentive to drop communities from the 406 subsidy program. Consequently, Alaska is several years behind the contiguous states in the transition from Section 406 to Section 419 subsidies.

In Alaska, the transition process began when "notices of intention to terminate service" were filed with the CAB by Alaska Airlines and Wien Air Alaska. These filings appear to be a logical course of action under the circumstances. If the CAB orders an air carrier to continue to provide service to a market that was on the 406 subsidy system, the carrier is eligible for compensation under Section 419. If the airlines had failed to file termination notices by July 2, 1982, the 90 day notification period would have extended into fiscal year 1983. Although the subsidy paid under Section 406 is authorized through 1985, funding for the program was excluded from the 1983 budget.

The failure of Congress to appropriate funds for payments under Section 406 opened the complex issue of whether the program requires yearly appropriations or is an entitlement for which payments must be made if services are performed. Determination of whether Congressional appropriation is necessary would require a decision by the court.

The decision faced by Wien and Alaska Airlines was: (1) file to terminate service and risk losing routes to other carriers on or after October 1, 1982; or (2) fail to file termination notices and risk being pressured by the CAB to continue service for 90 days while subsidies were reduced or eliminated. Three factors undoubtedly influenced the decisions. Because both Wien and Alaska Airlines pass large portions of subsidy receipts on to their substantial networks of subcontractors, termination of passenger service should have little direct impact on either carriers' equipment needs or net income. Secondly, resolution of the funding questions surrounding payments under Section 406 could involve substantial time and legal expenses. Finally, the "bumping" provisions of the Act would likely result in transfer of routes to subcontractors and/or competitors beginning January 1, 1983. Failure to file termination notices may have extended the rights to routes by only three months, and could have resulted in substantial legal and operating expenses.

Kodiak Western, the third of Alaska's subsidized carriers, does not rely heavily on independent subcontractors to provide air service so faces a different situation. Loss of routes is more likely to result in inefficient equipment use and reduced net income. Kodiak Western has not filed a notice to terminate service effective October 1, 1982, and has joined Republic Airlines in a challenge of the CAB's interpretation that Congressional intent was to end the 406 subsidy program as soon as possible.

A favorable ruling in the legal suit would allow Kodiak Western -- and other carriers receiving funds under Section 406 -- to continue service under Section 406 until bumping procedures (effective January 1, 1983) are initiated. According to the CAB, at least two carriers have indicated interest in the market served by Kodiak Western. The suit does not appear to have any long-term impact, but the issue has prompted the CAB to waive the requirement for 90 days notice before terminating service.

The State's Role in the Transition Process

To date, the transition from Section 406 to Section 419 has required little action by the State. As we approach the October 1 transition date, activity can be expected to increase. The CAB has requested State assistance in: (1) developing criteria that will assure selection of replacement carriers that are truly fit and able to serve Alaska's needs; and (2) ensuring that communities are aware of transition issues and have an opportunity to participate in carrier selection and other decisions affecting the communities.

In a July 27 letter to the Chairman of the CAB, Governor Hammond offered the assistance and cooperation of a Task Force created to facilitate the transition from Section 406 to Section 419. The Air Service Task Force

consists of representatives from the Alaska Transportation Commission (two), the Department of Transportation and Public Facilities, and the Office of the Governor (two). Some of the issues facing the Task Force are discussed below.

Clarification of State Role in Determination of Essential Air Service (EAS) -

The CAB has indicated that their interpretation of the law gives the Board final say in the determination of EAS levels. The interpretation is probably based on the language of Section 419(a)(2)(A) and (B), which states that ". . .the Board, after considering the views of any interested community and the State agency of the State in which such community is located, shall determine what is essential air transportation for such point." Section 419(a)(2)(C) adds "The Board shall periodically review the determination of what is essential air transportation to each eligible point, and may, based upon such review and consultations with any interested community and the State agency of the State in which such community is located, make appropriate adjustments as to what is essential air transportation to such point."

The above-noted sections clearly indicate that State and community agreement with Board determination of essential air services are not required. The language, however, applies to all states except Alaska. Section 419(f)(2) contains the following specific reference to EAS points within Alaska.

With respect to air transportation to any point in Alaska, essential air transportation shall not be specified at a level of service less than that which existed for such point during calendar year 1976, or two round trips per week, whichever is greater, unless otherwise specified under an agreement between the Board and the State agency of the State of Alaska, after consultation with the community affected.

Section 419(f)(2) makes it clear that no downward adjustment of Alaskan essential air service levels can be made without the concurrence of the designated State agency.

Recommendation - It is recommended that the Governor inform the CAB that the Air Service Task Force has been designated as the agency charged with responsibility for entering into all agreements with the CAB on essential air service levels in Alaska and that no changes will be allowed without the concurrence of the Task Force.

Review of Essential Air Service Levels - In his letter of July 27, 1982 to the chairman of the CAB, the Governor stated that, considering the magnitude of the transition from Section 406 to Section 419 and the lack of information on air carrier intentions and subsidy requirements, adjustments to service levels or number of EAS points was premature and might be more appropriate once the market has some time to stabilize. This course of action directly conflicts with the approach taken by the CAB in January of 1982. At that time, the CAB sent questionnaires to each of the 222 EAS points in Alaska. The objective was to review EAS levels for each community.

Review and revision of EAS levels will probably be a compromise between these two alternatives, with fewer than 60 points up for review prior to acceptance of service proposals by the CAB. By October 1, the CAB expects to allow Wien and Alaska Airlines to terminate service to points where other carriers meet the current EAS requirements. This does not mean that Alaska and Wien must terminate service to those points, it means only that they may leave the market if they wish to do so. They may bid to provide service under Section 419, but it is unlikely that EAS levels will be revised before the CAB requests proposals. Because the EAS levels of these markets are currently met by unsubsidized carriers competing with Wien, Alaska Airlines, or their subcontractors, it is unlikely that service will be subsidized. Of the 222 EAS points in Alaska, 183 currently receive subsidized passenger service. Of these 183 communities, 52 are served by carriers (other than the Section 406 operator) which meet the EAS criteria and 88 have no scheduled air service except as provided by the 406 operator.²

A request for proposals for unsubsidized service -- to be released by the CAB before October -- is expected to draw bids for unsubsidized service from many carriers that are close to meeting EAS criteria for the communities they serve. According to the CAB, 43 communities are served by two or more air carriers, but the service provided by the non-406 carriers does not meet EAS criteria. In addition, many of the subcontractors have indicated a willingness to continue service after the termination of the Section 406 system. Alaska Airlines stated that, with few exceptions, their subcontractors had indicated that they were "fully prepared to undertake such an obligation at no cost to the Board under Section 419 assuming the present levels of service mail compensation are left intact."³

Although there is no way of knowing exactly how many points will require subsidy until carriers submit proposals for unsubsidized service, it appears that the number will be smaller than 60. Only these subsidy-eligible communities will require review of EAS levels prior to accepting service proposals.

The State's role in the review process -- in the near future for subsidized points and in the more distant future for unsubsidized points -- will be active if the intent of the law is followed. A report prepared for the State by TRA/Farr contains a lengthy discussion of alternative criteria for determining eligibility for designation of communities as EAS points.⁴

² The source of these figures is the CAB, which warned that service not listed in the Airline Guide is excluded from their computations.

³ Notice of Suspension/Termination of Service, filed by Alaska Airlines with the CAB on July 2, 1982.

⁴ "Air Service in Alaska: Alternatives," prepared for the Office of the Governor, June, 1981 by TRA/Farr.

Recommendation - It is recommended that the Task Force examine existing criteria to determine if alternatives should be explored. Whether or not an alternative set of rules is adopted, the primary role of the State will be to ensure that communities have sufficient information and ample opportunity to contribute to decisions that affect them.

Selection of Air Carriers - Selection criteria can play a major part in determining which airlines serve which communities. For example, if jet service were required, the number of service proposals submitted to the CAB might be lower than the number received in a situation where type and capacity of aircraft were unspecified.

In their notice of termination of service, Alaska Airlines states that "the Board may not reduce the level of essential air service in terms of aircraft frequency, type, capacity and hub points served without the concurrence of the State of Alaska." They attribute the directive to Section 419(f)(2) of the Federal Aviation Act. It is not clear that Section 419(f)(2) was intended to be so specific, but the degree of specificity is not the real issue here.

Recommendation - It is recommended that the Task Force work with the CAB to develop carrier selection criteria that not only assure selection of fit, willing and able carriers, but also reflect the concerns of the communities served. A subtle but important distinction could be maintained; the Task Force could actively participate in developing selection criteria -- including number of seats, engine type and number, and other points served -- but not be involved in the selection of particular carriers. As with determination of EAS levels, the primary role of the State should be to solicit community input and ensure that community concerns are considered by the CAB.

Joint Fares - Joint fares allow passengers with a destination that requires use of more than one airline to fly at a cost lower than the sum of fares to individual points. The portion of the Federal Aviation Act that states that it is the duty of carriers to establish reasonable interstate joint fare agreements is no longer in effect after January 1, 1983.

There is a good possibility that this subject will be a "non-issue." The repeal of CAB authority does not preclude carriers from entering or retaining joint fare agreements, and it may not affect travel within the state. In addition, it is questionable whether the State can legally influence the outcome under any circumstances. There is also some discussion of Congressional action to reinstate federal authority over joint fare agreements.

Postal Service Subsidies - Alaskan air carriers currently receive about \$32 million per year for delivery of mail. Postal subsidies can be the source of the majority of revenue for air carriers in Alaska and may often be the crucial factor in determination of subsidy requirements under Section 419. The Deregulation Act transfers authority for determining mail subsidy rates from the CAB to the Postal Service in 1985. Although rate determination is an important function, it is a less critical issue than the selection of mail carriers.

There is currently no mechanism for coordinating the selection of EAS passenger carriers -- a function performed by the CAB -- with the Postal Service's selection of mail carriers. The lack of coordination has not been a problem in the past because the carriers offering passenger service under Section 406 also handled much of the mail. The EAS selection process allows all carriers, not just those with certificates issued under Section 401, to submit passenger service proposals. This selection process may be inconsistent with the Postal Service practice of contracting only with certificated carriers in markets where they exist. Carriers without the financial stability offered by postal contracts may have difficulty being designated as the EAS carrier.

A simple solution might be to guarantee a percentage of mail to EAS designees while dropping the practice of favoritism toward certificated carriers. Although there is some indication that the Postal Service may end its preferential treatment of certificated carriers, they have not indicated a willingness to guarantee postal contracts.

As Riley Snell, director of planning and programming for the central region of DOT/PF stated in his July 28 memorandum to the State Aviation System Plan Policy Committee, the postal service issue is between two federal agencies -- the CAB and the Postal Service -- and is perhaps best left at that level. The problems have been recognized to some degree in Washington, D.C. and a task force of CAB and Postal Service personnel is charged with identifying solutions.

Recommendation - It is recommended that the Air Service Task Force recognize the extreme importance of mail subsidies to the Section 419 process and be prepared to assist in identifying solutions if requested to do so. The Task Force should be prepared to ensure that any proposed solutions meet the needs of communities involved.

Institutional Alternatives - As noted by Riley Snell in his memorandum of July 28, there are too many variables to responsibly recommend a particular course of action for the State to adopt when the EAS program is scheduled to end in 1988.

Recommendation - It is recommended that one of the responsibilities of the Air Service Task Force be to monitor the program and all its variables so that the State's perspective of options can be modified as program changes occur.

The Task Force should focus attention on the near future. It may be desirable to approach the CAB with a plan to expand its Alaska Field Office to include subsidy and rate-setting personnel. This may assist CAB personnel to become familiar with the specific problems of rural air service in

Alaska. The Task Force may also wish to initiate some sort of public forum. The forum could provide an opportunity to add new EAS points as well as ensuring that community concerns are voiced and passed along to the CAB.

Summary

The slow demise of the Civil Aeronautics Board has left regulatory gaps that have been slow to fill. The transition from subsidized routes to subsidized points has been characterized by confusion over effective dates, dollar amounts and availability, and responsibilities and authority of the various players. The Governor has stopped the game of musical chairs by assigning responsibility for rural air service issues to an Air Service Task Force. We recommend that the Governor inform the CAB that the Task Force is the designated representative of the State and that -- by authority of Section 419(f)(2) -- changes in essential air service levels may be made only with the concurrence of the Task Force.

The primary role of the Task Force should be as advocate of community concerns. A public forum may work well in this respect. Other duties the Task Force may wish to perform include study of alternative criteria for determining EAS points and levels of service, participation in development of carrier selection criteria and/or participation in carrier selection, and close monitoring of -- and perhaps participation in -- developments in postal service contracts, joint fares, and other changes that will affect air service in Alaska. Closely monitoring all aspects of air service will provide a broad choice of policy options and aid the State in choosing options that are best for the State as well as for each community involved.



ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

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

May 16, 1984

MEMORANDUM

TO: Representative Bette Cato

FROM: David Teal *Teal*
Legislative Analyst

RE: Deregulation of Air Carriers in Alaska
Research Request 84-109

Rhonda Cargill of your staff provided this agency with a list of questions concerning the impact of deregulation of air carriers in Alaska. As you know, air carriers continue to be regulated by the Civil Aeronautics Board (CAB). However, the regulatory authority of the agency has diminished and the agency is scheduled for demise in 1988. The responses to your questions compare the present regulatory environment (under section 419 of the Federal Aviation Act) to the pre-1982 environment under section 406 of the Act.

The attached Policy Analysis Paper prepared by the Office of the Governor describes the transition to the "new rules" of section 419 of the Federal Aviation Act of 1958 from the regulatory system established under section 406 of the act. Because the policy paper is concise, I have made no attempt to summarize the transition process and will turn directly to the questions presented to the agency. Answers are provided in varying degree of detail, depending upon the availability of information. If more complete responses are required, I will be happy to spend additional time on this request.

#1: How does current air service compare to service before deregulation?

According to Dick Steinman of the CAB, the type of aircraft serving communities in Alaska has changed very little since deregulation. Before 1982, large air carriers contracted with smaller carriers to provide air service to small communities in Alaska. Upon deregulation, most of these smaller carriers obtained 401 certificates of their own and continued to serve the communities they had been serving.¹

¹A 401 certificate refers to section 401 of the Federal Aviation Act. A 401 certificate allows the carrier to deliver mail and to set its own service schedule.

Representative Cato
May 16, 1984
Page Two

Mr. Steinman also reported that the frequency of service has improved in many cases. He could provide no information on fares. If there are particular communities of interest, I can obtain specific information from the air carriers. General information on many Alaska communities is provided in "Air Service in Alaska", which is attached to this memorandum.²

#2: Who pays and who obtains subsidies for air service?

The federal government pays the full amount of subsidy associated with providing air service to communities which have subsidized service. The payments were made to air carriers under section 406 and continue to go to carriers under the new rules of section 419. The State provided no subsidy to either air carriers or communities prior to deregulation and provides no subsidy now.

Under section 406, over 180 communities in Alaska received subsidized air service at a total annual cost of about \$10 million per year. The annual subsidy for air service to the 48 communities served under section 419 is about \$6 million. The criteria for subsidy under sections 406 and 419 are described in the attached copy of "Air Service in Alaska." The points served under the 406 program are listed in Exhibit II-4 of that report.

#3: What contingency plans exist?

Under section 419, air carriers must give notice of their intention to halt service to a community. If no replacement carrier can be found, the original carrier can be forced to continue service to a community eligible for essential air service. However, losses sustained in providing essential air service can be recouped through section 419 payments. If a replacement carrier can be found that will provide better service for the same cost or the same level of service at a lower cost, the replacement can be hired to serve the community.

#4: How important is mail service and what will happen to mail contract?

Mail delivery is crucial to the survival of many carriers in Alaska. According to Dick Steinman, revenues from mail comprise 40 to 70 percent of the total revenue of many air carriers in Alaska. In the 48 contiguous states, mail revenues are generally less than three percent of total revenue.

²"Air Service in Alaska," prepared by TRA/Farr for the Division of Planning and Policy Development, Office of the Governor, October, 1982.

Representative Cato
May 16, 1984
Page Three

Deregulation has greatly increased the level of competition for mail. Prior to 1982, large carriers were responsible for mail delivery from major distribution centers to each community. These carriers generally contracted with smaller carriers for actual delivery of the mail. Under deregulation, any carrier which obtains a certificate under section 401 is eligible to carry mail. Smaller carriers are often eager to expand their service to other communities. The increase in the number of carriers to a given community spreads the mail among more carriers, which tends to erode the financial stability of some carriers.

The complexities of integrating mail and passenger service are discussed in "Air Service in Alaska" and in the Governor's policy paper. The Post Office will make all decisions related to mail service after January 1, 1985. Information on their plans is expected to be released before June, but is not yet available. Dick Steinman of the CAB would have the most up-to-date information on this topic. His phone number is (907) 271-5146.

#5: How do travel costs between communities compare with costs outside Alaska?

Because fares are no longer regulated by the CAB, information on travel costs must be obtained directly from the air carriers. The attached memorandum shows that fares from Alaska to Seattle are comparable to fares for travel between some cities outside Alaska.³ Travel between small communities in Alaska can be more costly than travel to points outside Alaska. Higher fuel and insurance costs as well as the lack of competition from alternate means of travel affect travel costs in Alaska. In addition, many Alaska markets are very small; it is unlikely that comparable communities outside Alaska have airports. The small market size results in higher costs.

#6: What costs are imposed by government and what impact do these costs have on fares?

The federal government imposes an eight percent tax on the price of all scheduled flights. In addition, federal and local taxes on fuel raise the operating costs of air carriers. Landing fees and lease payments also increase operating costs, but the costs--and their impact on fares--vary from carrier to carrier. I have not attempted to gather information on individual carriers and Dick Steinman had no figures for carriers as a group.

³Research Request 83-152, Airline Fares in Alaska, May 12, 1983.

Representative Cato
May 16, 1984
Page Four

#7: To what extent are discount fares available?

According to Dick Steinman, few (if any) of the small Alaska air carriers offer discounts. The major carriers operating between large population centers do offer "supersaver" tickets if the traveler meets certain qualifications.

#8: How many communities depend on air access?

About one-third of the 300 communities in Alaska are accessible by road. These communities are located in the area from the Kenai Peninsula north to Fairbanks and south along the Alaska Highway. Air service is the primary means of access for several of these communities. Water access is important to many communities in Southeast and Western Alaska, but air service is often the primary means of passenger travel for many of these communities.

#9: What is the per capita disposable income in Alaska?

According to the May 7, 1984 issue of U.S. News and World Report, Alaska's per capita income was \$16,820 in 1983. The article did not specify whether this figure was disposable income or gross income. Per capita income varies widely between communities; urban dwellers tend to have much higher cash incomes than those who live in rural areas, especially areas where many residents have limited participation in a cash economy.

#10: Has deregulation resulted in many bankruptcies?

According to Dick Steinman, three Alaska air carriers have declared bankruptcy since deregulation. However, Mr. Steinman said that deregulation was not directly responsible for the failures; in all cases, the carriers had financial problems before deregulation.

#11: Has deregulation affected safety margins?

Dick Steinman said that an increase in the number of carriers with 401 certificates has put pressure on surveillance operations but said that safety has not decreased under deregulation.

Representative Cato
May 16, 1984
Page Five

#12: What about "skimming the summer cream"?

Skimming refers to carriers from other regions that serve a market only during the busy summer season and abandon the market during the lean winter months. Although the skimming argument was used by carriers that opposed deregulation, skimming has not been a problem under deregulation. It would be possible for a carrier to provide scheduled air service to some communities during the summer and then abandon the route in the winter. However, all small scheduled carriers operating in Alaska are Alaska-based operators.

A scheduled air carrier can be forced to continue to serve a community if it is the only carrier which serves the community. This prevents skimming in those communities served by only one carrier, but it does not prevent it in some of the larger markets. Dick Steinman attributes the lack of skimming to the different treatment of scheduled and non-scheduled carriers. The Alaska Transportation Commission regulates non-scheduled carriers and has effectively prevented skimming by charter operators.

#13: Are communities happy with deregulation?

Dick Steinman said that communities have had very few complaints about air service under deregulation.

#14: What are the projected long-run effects of deregulation?

According to Dick Steinman, many air carriers in Alaska are operating on very thin profit margins. He expects to see a wave of bankruptcies and mergers similar to the events after World War II. He expects to see a decline in the number of carriers, but said that service will not decline significantly.

* * *

I hope this information is useful. If you require additional detail or have further questions, please contact the agency.

DT

Attachments

Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

Date: 18 February 1985
To: All Members of the House Transportation Committee
From: Representative Bette Cato, Chairman *BC*
Re: CS for HJR 16 (TRSP)

The changes made in HJR 16 were done in response to a suggestion by Mark Wittow in Washington, D.C. Due to the fact that President Reagan has submitted his budget to Congress, we needed to re-phrase the language of our resolution. The following is a comparison between HJR 16 and the CS for HJR 16 (TRSP).

A COMPARISON OF THE DIFFERENCES BETWEEN
HJR 16 AND THE CS FOR THE HJR 16

HJR 16

CS for HJR 16 (TRSP)

- ° Lines 9 & 10: WHEREAS the Department of Transportation is considering eliminating the Essential Air Service program from the next fiscal year budget; and

- ° Lines 16-18: BE IT RESOLVED by the Alaska State Legislature that the U.S. Department of Transportation is respectfully requested to adhere to the scheduled 1988 timetable for elimination of the Essential Air Service program.

- ° Lines 9 & 10: WHEREAS the President of the United States has proposed a budget for fiscal year 1986 that would eliminate the Essential Air Service program; and

- ° Lines 12 & 13: WHEREAS under the Airline Deregulation Act of 1978 (P.L. 95-504) Congress provided that the program would continue until 1988; and

- ° Lines 19-21: BE IT RESOLVED by the Alaska State Legislature that Congress fully fund the Essential Air Service program and that the U.S. Department of Transportation adhere to the scheduled 1988 timetable for elimination of the program.

- ° Lines 23-26: COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; and the Honorable George Bush, Vice-President of the United States and President of the U.S. Senate; the Honorable Thomas P. "Tip" O'Neill, Speaker of the U.S. House of Representatives;

Original sponsors: Cato, Thompson,
Adams, et al

IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

CS FOR HOUSE JOINT RESOLUTION NO. 16 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

Relating to essential air service.

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

WHEREAS Alaskan air carriers are recipients of federal funding under the U.S. Department of Transportation Essential Air Service program; and

WHEREAS the President of the United States has proposed a budget for fiscal year 1986 that would eliminate the Essential Air Service program; and

WHEREAS under the Airline Deregulation Act of 1978 (P.L. 95-504) Congress provided that the program would continue until 1988; and

WHEREAS Alaska has 38 communities that would be adversely affected by elimination of the funding; and

WHEREAS Alaskan air operators have been developing free market alternatives consistent with the deregulation of air transportation and the scheduled termination of the subsidy in 1988;

BE IT RESOLVED by the Alaska State Legislature that Congress fully fund the Essential Air Service program and that the U.S. Department of Transportation adhere to the scheduled 1988 timetable for elimination of the program.

COPIES of this resolution shall be sent to the Honorable Ronald Reagan, President of the United States; the Honorable George Bush, Vice-President of the United States and President of the U.S. Senate; the Honorable Thomas P. "Tip" O'Neill, Speaker of the U.S. House of Representatives; the Honorable Elizabeth Dole, Secretary of Transportation; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska

delegation in Congress.

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Alaska State Legislature

House of Representatives

Committee on Transportation



Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

M E M O R A N D U M

Date: 18 February 1985
To: Mike Ford, Legal Services
From: Rhonda Cargill, Professional Assistant *Rhonda*
The House Transportation Committee
Re: HJR 16 (Draft #0566)

Dear Mike:

Please draft the following changes for a CS for HJR 16(TRSP):

- Line 8; add after "the": United States.
- Line 9; add after "the": President of the United States proposed budget for fiscal year 1986 would eliminate.
- Line 9; delete after "the": [DEPARTMENT OF TRANSPORTATION IS CONSIDERING ELIMINATING].
- Line 10; delete after "program": [FROM THE NEXT FISCAL YEAR BUDGET].
- Lines 16 & 17; add after "that": Congress fully fund the Essential Air Service Program and that the U.S. Department of Transportation.
- Lines 16 & 17; delete after "that": [THE U.S. DEPARTMENT OF TRANSPORTATION IS RESPECTFULLY REQUESTED TO].
- Line 18; delete after "the": [ESSENTIAL AIR SERVICE].
- Add another WHEREAS which says something to the effect that--

WHEREAS the Federal law provides for the continuation of the program until 1988;
- Add to the list on line 19: President Reagan, Senator George Bush, President of the Senate, and Tip O'Neil, Speaker of the House.

The above language was suggested by Mark Wittow in Washington, D.C. since the President has already submitted his budget to Congress and it does eliminate the funding for this program. If you have any questions, please call me at 465-4858.

One last thing, Representative Cato has scheduled this resolution for tomorrow, Tuesday, February 19 at 7:00 a.m.

Thanks so much for your help.

Alaska State Legislature



House of Representatives

Committee on Transportation

Rep. Bette Cato, Chairman

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-4858

DATE: 19 FEBRUARY 1985
TO: MIKE FORD, LEGAL SERVICES
FROM: Rhonda Cargill, Professional Assistant *Rhonda*
RE: CS HJR 16(TRSP)

Please give us a final on CS HJR 16(TRSP) with the following corrections:

Line 8: add after "the" U.S.

Lines 24 and 25 please list after the President of the United States; and the Honorable George Bush, Vice-President of the United States and President of the U.S. Senate; (as we discussed on the telephone the other day).

Thanks.

Original sponsors: Cato, Thompson,
Adams, et al

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 16 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 Relating to essential air service.

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

7 WHEREAS Alaskan air carriers are recipients of federal funding under
8 the ^{U.S.} Department of Transportation Essential Air Service program; and

9 WHEREAS the President of the United States has proposed a budget for
10 fiscal year 1986 that would eliminate the Essential Air Service program;
11 and

12 WHEREAS under the Airline Deregulation Act of 1978 (P.L. 95-504)
13 Congress provided that the program would continue until 1988; and

14 WHEREAS Alaska has 38 communities that would be adversely affected by
15 elimination of the funding; and

16 WHEREAS Alaskan air operators have been developing free market alter-
17 natives consistent with the deregulation of air transportation and the
18 scheduled termination of the subsidy in 1988;

19 BE IT RESOLVED by the Alaska State Legislature that Congress fully
20 fund the Essential Air Service program and that the U.S. Department of
21 Transportation adhere to the scheduled 1988 timetable for elimination of
22 the program.

23 COPIES of this resolution shall be sent to the Honorable Ronald
24 Reagan, President of the United States; (and President of the U.S. Senate);
25 the Honorable George Bush, Vice-President of the United States; the Honor-
26 able Thomas P. "Tip" O'Neill, Speaker of the U.S. House of Representatives;
27 the Honorable Elizabeth Dole, Secretary of Transportation; and to the
28 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
29 the Honorable Don Young, U.S. Representative, members of the Alaska

SR 3

SENATE RESOLUTION NO. 3
(Relating to establishment of a sister
state relationship with Taiwan).

Senate Resolve No. 2

HCSSJR 14(Res)

A message dated March 27, 1985, was read stating the Governor has signed the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

HOUSE COMMITTEE SUBSTITUTE FOR SENATE
JOINT RESOLUTION NO. 14 (Resources)
(Urging the United States Fish and
Wildlife Service to postpone the
proposed cattle slaughter on Simeonof
Island).

Legislative Resolve No. 7

SCS CSHJR 16(Trsp)

A message dated March 27, 1985, was read stating the Governor has signed the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE COMMITTEE SUBSTITUTE FOR
COMMITTEE SUBSTITUTE FOR HOUSE JOINT
RESOLUTION NO. 16 (Transportation)
(Relating to essential air service).

Legislative Resolve No. 8

SCSHB 77(L&C)

A message dated March 27, 1985, was read stating the Governor has signed the following bill and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

SENATE COMMITTEE SUBSTITUTE FOR HOUSE
BILL NO. 77 (Labor & Commerce)
(Relating to the capital funds required
of foreign and domestic insurers).

Chapter 5, SLA 1985

MESSAGES FROM THE SENATE

Messages were read stating the Senate has approved the following citations:

In Memoriam - Winnie Charlie
by Senators Sackett, Coghill and Ferguson
and Representatives Adams and Wallis

Honoring - Hollis Henrichs
by Senators Rodey, Kerttula, V. Fischer,
DeVries, Halford and Eliason and
Representative Cato

which were referred to the Rules Committee for placement on the calendar; and

Honoring - Barbara Staley

Honoring - The Alaska All Stars Hockey Team

which were referred to the Chief Clerk for enrollment.

CSHCR 11(HESS)

A message dated March 28, 1985, was read stating the Senate has passed:

COMMITTEE SUBSTITUTE FOR HOUSE
CONCURRENT RESOLUTION NO. 11 (HESS)
(relating to the University of Alaska
Foundation)

CSHCR 11(HESS) was referred to the Chief Clerk for enrollment.

Messages were read stating the Senate has passed the following and they are transmitted for consideration:

FIRST READING AND REFERENCE OF SENATE RESOLUTIONSSJR 20

SENATE JOINT RESOLUTION NO. 20 by Coghill:

Relating to federal funding for
conservation programs.

was read the first time and referred to the Resources Committee.

SB 81

The Rules Committee considered SENATE BILL NO. 81 (definition of veteran for purposes of veterans' employment preference rights) and recommended calendar March 20. The report was signed by Senator Kelly, Chairman and concurred in by Senators Coghill, Bennett, Faiks and Josephson.

SENATE BILL NO. 81 appears on the calendar.

SB 56

The Rules Committee considered SENATE BILL NO. 56 (amending the longevity bonus program and the permanent fund dividend program, establishing an annuity program; efd) and recommended calendar March 21. The report was signed by Senator Kelly, Chairman and concurred in by Senators Coghill, Bennett, Faiks and Josephson.

SENATE BILL NO. 56 will appear on the March 21 calendar.

HJR 16

The Rules Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) am (essential air service) and recommended calendar March 21. The report was signed by Senator Kelly, Chairman and concurred in by Senators Coghill, Faiks, Bennett and Josephson.

CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) am will appear on the March 21 calendar.

INTRODUCTION AND REFERENCE OF SENATE RESOLUTIONS

SCR 16

SENATE CONCURRENT RESOLUTION NO. 16 by Senator Coghill,

Relating to a proposed state lease-purchase project in Anchorage and to other pending state capital projects,

was read the first time and referred to the State Affairs Committee and the Finance Committee.

INTRODUCTION AND REFERENCE OF SENATE BILLS

SB 243

SENATE BILL NO. 243 by the Health, Education and Social Services Committee, entitled:

"An Act relating to the protection of children."

was read the first time and referred to the Health, Education and Social Services Committee and the Judiciary Committee.

CONSIDERATION OF THE CALENDAR

SECOND READING OF SENATE BILLS

SB 29

SENATE BILL NO. 29 (domestic violence) was read the second time.

Senator Rodey moved and asked unanimous consent for the adoption of the Judiciary Committee Substitute offered on page 529. Without objection, CS FOR SENATE BILL NO. 29 (JUD) was adopted.

CS FOR SENATE BILL NO. 29 (JUD) was read the second time.

Senator Halford offered Amendment No. 1:

Page 1, line 6 : after "violence" insert "and domestic sexual offenses"

Page 1, following line 7: Insert new section to read:

"*Section 1. AS 11.41 is amended by adding a new section to read:

Sec. 11.41.443. SPOUSAL RELATIONSHIP NO DEFENSE. In a prosecution under AS 11.41.410 or 11.41.420, it is not a defense that the victim was, at the time of the alleged offense, the legal spouse of the defendant.

*Sec. 2. AS 11.41.445(a) is amended to read:

(a) In a prosecution under AS 11.41.434 - 11.41.440 AS 11.41.410 - 11.41.440 it is an affirmative defense that, at the time of the alleged offense, the victim was the legal spouse of the defendant unless the offense was committed without the consent of the victim

CERTIFICATION OF THE JOURNAL

Representative Clocksin moved and asked unanimous consent that the journal for the 66th and 67th days and House Journal Supplement No. 32 be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE SENATE

Messages were read stating the Senate has approved the following citations:

Honoring - Ralph R. Stefano

Honoring - Libby Riddles - 1985 Iditarod
Sled Dog Race Winner

Honoring - Dillingham Boys Basketball
Team

which were referred to the Chief Clerk for enrollment; and

Honoring - Beverly Chapman
by Senators DeVries and Kerttula and
Representative Cato

Honoring - Ruth Briggs
by Senators Kelly, Halford,
Sturgulewski, V. Fischer, Rodey and Abood

which were referred to the Rules Committee for placement on the calendar.

CSHJR 16 (Trsp)am

A message dated March 21, 1985, was read stating the Senate has passed COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 16 (Transportation) amended (relating to essential air service) with the following amendment:

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE
FOR HOUSE JOINT RESOLUTION NO. 16 (Trsp)

and returning it for consideration.

The Speaker stated the resolution would be taken up under Unfinished Business.

Messages were read stating the Senate has passed the following and they are transmitted for consideration:

HOUSE JOURNAL

ALASKA STATE LEGISLATURE

FOURTEENTH LEGISLATURE - FIRST SESSION

Juneau, Alaska

Friday

March 22, 1985

Sixty-eighth Day

Pursuant to adjournment, the House was called to order by Speaker Grussendorf at 10:05 a.m.

Roll call showed 38 members present. Representatives Pearce and Pettyjohn had been previously excused from a call of the House today.

The invocation was offered by the Chaplain, Pastor Jon Paden of the Church of Christ. Representative Szymanski moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it appears below:

"Dear God, Life is so transient. We really do not know whether all of us will be here next time. There are moments in which we are almost overwhelmed with the sense that life is but a vapor which appears for awhile and then vanishes.

We ask this grace of You; that the life we live this day and the decisions we make today will reflect our desire to make a better life for fellow Alaskans, and to make the heritage we leave more than a short-lived vapor.

We thank You for today's opportunities.

I come to You in the name of Jesus, the Lord of Life. Amen."

Representative Adams moved and asked unanimous consent that the citation Honoring - The Alaska Ali Stars Hockey Team be taken up as a Special Order of business at this time. There being no objection, it was so ordered.

SPECIAL ORDERS

Representative Adams moved and asked unanimous consent that the House approve the above citation. There being no objection, it was so ordered and the citation was referred to the Chief Clerk for transmittal to the Senate.

UNFINISHED BUSINESS

CSHJR 16(Trsp)am

Representative Clocksin moved and asked unanimous consent that the House concur in the Senate amendment to CSHJR 16 (Trsp) am, thus adopting SCS CSHJR 16(Trsp) (page 658) and asked that the members vote yes.

The question being: "Shall the House concur in the Senate amendment to CSHJR 16(Trsp)am, thus adopting SCS CSHJR 16(Trsp)?" The roll was taken with the following result:

SCS CSHJR16(TRSP) CONCUR

Yeas:	32	Adams, Binkley, Boucher, Cato, Clocksin, Collins, Cotten, Davis, Frank, Fuller, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Herrmann, Hurley, Jenkins, Koponen, Larson, Martin, Miller, M.M., Navarre, Phillips, Pignalberi, Pourchot, Rieger, Ringstad, Szymanski, Thompson, Uehling, Wallis
Nays:	1	Marrou
Excused:	2	Pearce, Pettyjohn
Absent:	5	Duncan, Miller, M.W., Shultz, Sund, Taylor

And so, the House concurred, thus adopting:

SENATE COMMITTEE SUBSTITUTE FOR
COMMITTEE SUBSTITUTE FOR HOUSE JOINT
RESOLUTION NO. 16 (Transportation)
(relating to essential air service)

SCS CSHJR 16(Trsp) was referred to the Chief Clerk for enrollment.

UNFINISHED BUSINESS

Representative Clocksin moved and asked unanimous consent that the following members be excused from a Call of the House as noted:

Representative Frank, from 5:00 p.m., March 22, through plane time, March 25, 1985

Representative Collins, after session, March 22, through plane time, March 26, 1985.

Representative Pourchot, after session, March 27, through plane time, April 3, 1985.

Representative Boucher, after session, April 3, through plane time, April 8, 1985.

There being no objection, it was so ordered.

HB 128

Representative Taylor withdraw his name as a co-sponsor on HOUSE BILL NO. 128 (mental health trust lands; effective date).

HB 172

Representative Gruenberg added his name as a co-sponsor on HOUSE BILL NO. 172 (rights of blind, hearing impaired, disabled, and physically handicapped persons).

HB 294

Representatives Fuller and Rieger added their names as co-sponsors on HOUSE BILL NO. 294 (preferential hire of Aluskans; effective date).

HB 295

Representative Fuller added his name as a co-sponsor on HOUSE BILL NO. 295 (making a special appropriation to the Department of Labor for study of unemployment in Alaska and other issues related to Alaska hire; effective date).

March 21, 1985

SB 56 cont'd

The question to be reconsidered is: "Shall CS FOR SENATE BILL NO. 56 (FIN) (relating to a longevity bonus; efd) pass the Senate?" The roll was taken with the following result:

CSSB 56 FIN RECONSIDERATION

Yeas: 17 Abood, Bennett, Coghill, DeVries,
Eliason, Fahrenkamp, Faiks,
Ferguson, Fischer Paul,
Fischer Vic, Halford, Kelly,
Kerttula, Ray, Rodey,
Sturgulewski, Zharoff

Nays: 2 Josephson, Sackett

Absent: 1 Ziegler

and so, CS FOR SENATE BILL NO. 56 (FIN) passed the Senate on reconsideration with a Senate Letter of Intent .

Senator Halford moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 56 (FIN) was referred to the Secretary for engrossment.

SECOND READING OF HOUSE RESOLUTIONS

HJR 16

CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) am (essential air service) was read the second time.

Senator Coghill moved and asked unanimous consent for the adoption of the Transportation Senate Committee Substitute offered on page 57E. Without objection, SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) was adopted.

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) was read the second time.

Senator Halford moved and asked unanimous consent that SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

March 21, 1985

HJR 16 cont'd

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) was read the third time.

The question being: "Shall SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) (essential air service) pass the Senate?" The roll was taken with the following result:

SCS CSHJR 16 TRSP 3RD

Yeas: 20 Abood, Bennett, Coghill, DeVries,
Eliason, Fahrenkamp, Faiks,
Ferguson, Fischer Paul,
Fischer Vic, Halford, Josephson,
Kelly, Kerttula, Ray, Rodey,
Sackett, Sturgulewski, Zharoff,
Ziegler

Nays: 0

and so, SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) passed the Senate and was referred to the Secretary for engrossment.

CITATIONS

Honoring Ruth Briggs
by Senators Kelly, Halford, Sturgulewski, Vic Fischer,
Rodey and Abood

Honoring Dillingham Boys Basketball Team
by Representative Herrmann
Senator Zharoff

Senator Halford moved and asked unanimous consent that the citation calendar be adopted. Without objection, the citations were adopted and referred to the Secretary for transmittal.

UNFINISHED BUSINESS

SB 57

Senator Faiks, Co-Chairman, moved and asked unanimous consent that the Finance Committee referral be waived on SENATE BILL NO. 57 (preferential use of Alaska agricultural products). Without objection, it was so ordered.

March 21, 1985

SB 57 cont'd

SENATE BILL NO. 57 was referred to the Rules Committee.

SB 75

Senator Faiks, Co-Chairman, moved and asked unanimous consent that the Finance Committee referral be waived on SENATE BILL NO. 75 (suspension of the privilege to obtain a driver's license). Without objection, it was so ordered.

SENATE BILL NO. 75 was referred to the Rules Committee.

SB 172

Senator Faiks, Co-Chairman, moved and asked unanimous consent that the Finance Committee referral be waived on SENATE BILL NO. 172 (extending the termination date of the Council on Domestic Violence and Sexual Assault; efd). Without objection, it was so ordered.

SENATE BILL NO. 172 was referred to the Rules Committee.

SB 81

The reconsideration of SENATE BILL NO. 81 (definition of veteran for purposes of veterans' employment preference rights) was not taken up.

SENATE BILL NO. 81 was referred to the Secretary for engrossment.

ANNOUNCEMENTS

Announcements appear at the end of the journal.

ENGROSSMENT

SB 56

CS FOR SENATE BILL NO. 56 (FIN) was engrossed, signed by the President and Secretary and transmitted with a Senate Letter of Intent to the House for consideration.

March 21, 1985

SB 56 cont'd

CS FOR SENATE BILL NO. 56 (FIN) was read the third time.

The question being: "Shall CS FOR SENATE BILL NO. 56 (FIN) (relating to a longevity bonus; efd) pass the Senate?" The roll was taken with the following result:

CSSB 56 FIN 3RD

Yeas: 18 Abood, Bennett, Coghill, DeVries,
Eliason, Fahrenkamp, Faiks,
Ferguson, Fischer Paul,
Fischer Vic, Halford, Kelly,
Kerttula, Ray, Rodey,
Sturgulewski, Zharoff, Ziegler

Nays: 2 Josephson, Sackett

and so, CS FOR SENATE BILL NO. 56 (FIN) passed the Senate.

Senator Halford moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

Senator Rry gave notice of reconsideration on CS FOR SENATE BILL NO. 56 (FIN).

Senator Ray moved and asked unanimous consent that the reconsideration on CS FOR SENATE BILL NO. 56 (FIN) (relating to a longevity bonus; efd) be taken up. Without objection, it was so ordered.

SENATE BILLS IN THIRD READING

CS FOR SENATE BILL NO. 56 (FIN) was before the Senate on reconsideration.

Senator Halford moved and asked unanimous consent for the adoption of the title change. Without objection, the title change was adopted.

Senator Halford moved and asked unanimous consent for the adoption of the State Affairs Committee Letter of Intent offered on page 168. Without objection, the Senate Letter of Intent was adopted.

March 21, 1985

605

SB 81

SENATE BILL NO. 81 was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

HJR 16

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) was engrossed, signed by the President and Secretary and returned to the House for consideration.

ENGROSSMENT & ENROLLMENT

SR 3

SENATE RESOLUTION NO. 3 was engrossed and enrolled, signed by the President and Secretary and the engrossed and enrolled copies transmitted to the Office of the Governor at 4:20 p.m., March 20, 1985.

ADJOURNMENT

Senator Halford moved and asked unanimous consent that the Senate adjourn until 11:00 a.m., March 22, 1985. Without objection, the Senate adjourned at 12:00 noon.

Peggy Mulligan
Secretary of the Senate

March 1985

Committee meetings in the Capitol
 Change in time or place

COMMUNITY AND REGIONAL AFFAIRS - BELTZ RM 211 - 3:30

Mar 21 SB 190 Exemptions, payments for surviving spouses
 SB 204 Contracts architect, engineering, surveying
 Ak Municipal League Clerks
 26 Ak Conference of Mayors

FINANCE - SENATE FINANCE - 8:30 a.m.

Mar 22 Anchorage Office Bldg cont'd
 SB 4 Correctional restitution centers
 SB 52 1985 Iditarod sled dog race approp
 SB 146 Salmon classics

HEALTH EDUCATION & SOCIAL SERVICES - BELTZ RM 211 - 1:30

Mar 21 SB 51 and SB 159 State aid for school construction
 SB 187 Adoption
 SB 192 Sick leave banks
 SB 217 Administrators negotiating unit
 26 SB 3 Hearsay evidence for certain sexual offenses:
 amend Rule 6(r), Rules of Criminal Procedure
 SB 8 Personal safety curriculum in public schools
 SB 21 Checks on employees in contact with children
 SB 86 Runaway and missing minors
 SB 243 Protection of children
 28 No meeting

JUDICIARY - BUTROVICH RM 205 - 1:30

Mar 21 HB 157 Revisor of statutes amendments recommendations
 SB 83 Limited Entry Act
 SB 84 Motor vehicle laws
 27 *Gov Conf Rm* Judicial Council, Joint with House

RESOURCES - BUTROVICH RM 205 - 1:30

Mar 22 SCR 4 Statewide trail system
 SB 11 Fisheries business tax

RULES - BELTZ RM 211 - 1:00

Mar 21 Calendar bills

STATE AFFAIRS - BUTROVICH RM 205 - 8:30 am

Mar 26 SB 211 Compensation for victims of certain crimes
 HB 14 Ak Territorial Guard death gratuity
 SB 92 Supplemental benefits system
 SB 225 State officers, employees not covered by
 collective bargaining
 28 SB 209 and SB 210 Ak State Fire Commission & approp
 SB 219 Special unit, investigate criminally exploited
 and missing children TELECONFERENCE TO ANCHORAGE

TRANSPORTATION - BUTROVICH RM 205 - 3:30

Mar 22 No meeting

SELECT COMMITTEE ON LEGISLATIVE ETHICS - HOUSE FINANCE - 3:00

Mar 21 Advisory opinions 2, 3 and 4

The following reports were received and are on file in the Chief Clerk's Office:

ALASKA PUBLIC DEFENDER AGENCY
ANNUAL REPORT FISCAL YEAR - 1984

ANNUAL REPORT 1984
ALASKA WOMEN'S COMMISSION

REPORTS OF STANDING COMMITTEES

HJR 16

The Transportation Committee has considered HOUSE JOINT RESOLUTION NO. 16 (relating to essential air service), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE JOINT RESOLUTION NO. 16 (Transportation) (same title) and reports it back as follows: Cato (Chairman), Shultz, Herrmann, Davis and Pignalberi recommend do pass; Marrou recommends do not pass; Furnace has no recommendation.

HJR 16 was referred to the Rules Committee for placement on the calendar.

SSHB 5

The Labor & Commerce Committee has considered SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 5 (establishing an asbestos health hazard abatement program; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 5 (Labor & Commerce):

"An Act establishing a program for the abatement of asbestos health hazards in public schools and the University of Alaska; providing for certification of asbestos workers; and providing for an effective date."

and reports it back as follows: Koponen, Boucher and Davis recommend do pass; Navarre (Chairman) has no recommendation; Hanley signed "Do not pass without amendments"; Pearce signed "Do not pass substitute". A new fiscal note was attached.

SSHB 5 was referred to the Finance Committee.

The fiscal note appears in House Journal Supplement No. 20.

HB 30

The State Affairs Committee has considered HOUSE BILL NO. 30 (relating to payment for purchases by the state; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 30 (State Affairs) (same title) and reports it back as follows: Navarre, M.M. Miller, Collins, Cato and Boucher recommend do pass; Hurley (Chairman) and Jenkins have no recommendation. A fiscal note was attached.

HB 30 was referred to the Finance Committee.

The fiscal note appears in House Journal Supplement No. 20.

HB 57

The Labor & Commerce Committee has considered HOUSE BILL NO. 57 (making special appropriations for an asbestos health hazard abatement program; effective date) and reports it back as follows: Koponen, Boucher and Davis recommend do pass; Navarre (Chairman), Hanley and Pearce have no recommendation.

HB 57 was referred to the Finance Committee.

HB 83

The Health, Education & Social Services Committee has considered HOUSE BILL NO. 83 (relating to employee benefits under the Public Employees' Retirement System and the Teachers' Retirement System; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 83 (HESS) (same title) and reports it back as follows: Koponen and Gruenberg (Co-Chairs), Taylor and Thompson recommend do pass; Hanley has no recommendation.

HB 83 was referred to the Finance Committee.

HB 96

The Health, Education & Social Services Committee has considered HOUSE BILL NO. 96 (relating to the applicability of the scholarship loan program to students attending more than one postsecondary educational institution; effective date) and reports it back as follows: Koponen and Gruenberg (Co-Chairs), Hurley, Taylor, Thompson and Hanley recommend do pass.

HB 96 was referred to the Rules Committee for placement on the calendar.

HJR 16 cont'd

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION
NO. 16 (TRSP)

Relating to essential air service

Legislative Resolve No. 8

HB 77

Message of March 27 was read, stating the Governor signed the following bill and transmitted the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

SENATE CS FOR HOUSE BILL NO. 77 (L&C)

An Act relating to the capital funds required of foreign and domestic insurers

Chapter 5, SLA 1985

MESSAGES FROM THE HOUSE

Message of March 27 was read, stating the House passed:

FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

HCR 13

HOUSE CONCURRENT RESOLUTION NO. 13 by Representatives Cato, Grussendorf, Phillips and Boucher,

Relating to the nineteenth annual Boys' State at Camp Carroll,

was read the first time and referred to the State Affairs Committee.

HCR 14

HOUSE CONCURRENT RESOLUTION NO. 14 by Representatives Cato, Grussendorf, Phillips and Boucher,

Relating to the seventeenth annual Girls' State at the Fairbanks University of Alaska campus,

was read the first time and referred to the State Affairs Committee.

FIRST READING AND REFERENCE OF HOUSE BILLS

HB 80

CS FOR HOUSE BILL NO. 80 (L&C) by the Labor and Commerce Committee, entitled:

"An Act relating to insurance fees and licenses: and providing for an effective date."

was read the first time and referred to the Labor and Commerce Committee and the Finance Committee.

HB 198

HOUSE BILL NO. 198 am by Representative Goll, entitled:

"An Act relating to municipal assistance for certain municipalities organized under federal law; and providing for an effective date."

was read the first time and referred to the Community and Regional Affairs Committee and the Finance Committee.

STANDING COMMITTEE REPORTS

SB 11

The Resources Committee considered SENATE BILL NO. 11 (fisheries business tax) and recommended it be replaced with

CS FOR SENATE BILL NO. 11 (RES), entitled:

"An Act relating to the fisheries business tax; and providing for an effective date."

with a majority do pass. The report was signed by Senator Sturgulewski, Chairman and concurred in by Senators Coghill, Fahrenkamp and Zharoff. Senator Vic Fischer signed "no recommendation".

SENATE BILL NO. 11 was referred to the Finance Committee.

SB 35

The Resources Committee considered SPONSOR SUBSTITUTE FOR SENATE BILL NO. 35 (creating the Nelchina Recreation Area) and recommended it be replaced with

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 35 (RES)

Opinion

JUNEAU EMPIRE

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Seeking ways to save families

The Boston Globe

BOSTON — Daniel Patrick Moynihan came back to Harvard recently in search of common ground. The New York senator, the former Harvard professor, delivered three lectures on the American family, or to be more precise, on American families.

It was no coincidence that Moynihan's words came on the 20th anniversary of his famous — or in-



Ellen Goodman

accordance with some coherent objective." Even in this inhospitable era, "We can act if we can agree. ..."

If we can agree for example, that government should not tax people into poverty then, Moynihan said, we can enlarge tax exemptions so that once again they are large enough to push families out of poverty. If we can agree that certain government programs do work, saving lives and saving money,

thing about making families strong, he inferred, but "...There are places to begin."

What I liked about the speeches was that he sounded less like a politician than like an archaeologist trying to salvage pieces of common ground. In the last two decades Americans have learned what we can't do to eliminate poverty or to empower families, but in the process many have lost the belief

Alaska State Legislature

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ADELHEID HERRMANN

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UGASHIK
UNALASKA

MEMORANDUM

file

TO: Representative Bette Cato

FROM: Representative Adelheid Herrmann

DATE: March 5, 1985

SUBJECT: Northern Air Cargo C-82 Boxcar Exemption

Attached please find a copy of letters recently sent to the Governor and the Alaska Congressional delegation concerning the efforts of Northern Air Cargo to obtain a C-82 Boxcar Exemption from the Federal Aviation Administration. I have also attached two other letters which concern this issue.

Briefly, Northern Air Cargo has been operating in rural Alaska for 28 years. Currently, they are trying to secure an exemption from the FAA to operate their C-82. The FAA has, so far, denied this request and the matter is being appealed.

As you may know there is overwhelming public support for Northern Air Cargo's request to the FAA. Essentially, the C-82 provides a medium-sized cargo delivery alternative for bush residents. Northern Air Cargo's safety record is well established and, quite frankly, the FAA's resistance to the exemption petition is somewhat mystifying. It is my understanding that there will be a meeting to address this issue between the Governor's office, Northern Air Cargo, and the FAA on March 11th in Washington D.C.

I hope that this matter can be resolved administratively within the FAA but wanted to let you know about the issue in case legislative action was necessary.

AH/m/ml
enclosures

Alaska State Legislature

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ADELHEID HERRMANN

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TWIN HILLS
UGASHIK
UNALASKA

March 5, 1985

Governor Bill Sheffield
State of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Sheffield:

I have recently learned that Northern Air Cargo's petition for a C-82 Boxcar Exemption has been denied by the Federal Aviation Administration (FAA).

Northern Air Cargo has provided air cargo service to rural Alaska for nearly three decades. Over that time, they have established an excellent safety record covering nearly 30,000 hours of flight time. As you may know, a public hearing was held on this issue and that the overwhelming body of testimony supported the need for a continuation of Northern Air Cargo's service to rural areas.

It is my understanding that a meeting will be held on this subject on March 11th between the Governor's office, Northern Air Cargo, and the FAA.

I would like to encourage your continued support for Northern Air Cargo's effort to secure approval from the FAA to continue service.

Sincerely,

A handwritten signature in cursive script that reads "Adelheid Herrmann".

Adelheid Herrmann
Representative
District 26

AH/m/ml

Alaska State Legislature

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ADELHEID HERRMANN

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UNALASKA

March 4, 1985

Honorable Ted Stevens
United States Senate
147 Russell Office Bldg.
Washington, D.C. 20510

Dear Senator Stevens:

I have recently learned that Northern Air Cargo's petition for a C-82 Boxcar Exemption has been denied by the Federal Aviation Administration (FAA).

Northern Air Cargo has provided air cargo service to rural Alaska for nearly three decades. Over that time, they have established an excellent safety record covering nearly 30,000 hours of flight time. As you may know, a public hearing was held on this issue and that the overwhelming body of testimony supported the need for a continuation of Northern Air Cargo's service to rural areas.

I wanted to bring this matter to your attention and encourage your support for Northern Air Cargo's effort to secure approval from the FAA to continue service.

Sincerely,

A handwritten signature in cursive script that reads "Adelheid Herrmann".

Adelheid Herrmann
Representative
District 26

AH/m/ml

Alaska State Legislature

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UGASHIK
UNALASKA

March 4, 1985

Honorable Frank H. Murkowski
United States Senate
317 Hart Bldg.
Washington, D.C. 20510

Dear Senator Murkowski:

I have recently learned that Northern Air Cargo's petition for a C-82 Boxcar Exemption has been denied by the Federal Aviation Administration (FAA).

Northern Air Cargo has provided air cargo service to rural Alaska for nearly three decades. Over that time, they have established an excellent safety record covering nearly 30,000 hours of flight time. As you may know, a public hearing was held on this issue and that the overwhelming body of testimony supported the need for a continuation of Northern Air Cargo's service to rural areas.

I wanted to bring this matter to your attention and encourage your support for Northern Air Cargo's effort to secure approval from the FAA to continue service.

Sincerely,

A handwritten signature in cursive script that reads "Adelheid Herrmann".

Adelheid Herrmann
Representative
District 26

AH/m/ml

Alaska State Legislature

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UNALASKA

March 4, 1985

Honorable Donald E. Young
House of Representatives
2331 Rayburn House Office Bldg.
Washington, D.C. 20515

Dear Representative Young:

I have recently learned that Northern Air Cargo's petition for a C-82 Boxcar Exemption has been denied by the Federal Aviation Administration (FAA).

Northern Air Cargo has provided air cargo service to rural Alaska for nearly three decades. Over that time, they have established an excellent safety record covering nearly 30,000 hours of flight time. As you may know, a public hearing was held on this issue and that the overwhelming body of testimony supported the need for a continuation of Northern Air Cargo's service to rural areas.

I wanted to bring this matter to your attention and encourage your support for Northern Air Cargo's effort to secure approval from the FAA to continue service.

Sincerely,

A handwritten signature in cursive script that reads "Adelheid Herrmann".

Adelheid Herrmann
Representative
District 26

AH/m/ml

Briggs-Way Company

Fresh Natural Alaska Seafoods
Hand Packed in Glass
UGASHIK, ALASKA 99683

ROGER B. BRIGGS
EMORENE R. BRIGGS
LUCINDA R. BRIGGS
THERON C. BRIGGS (1931-1986)
TIRZALEE K. BRIGGS
ROLAND B. BRIGGS

February 5, 1985

Alaska Congressional Delegation
Senator Ted Stevens
Senator Frank Murkowski
Congressman Don Young
709 West 9th Avenue
Juneau, Alaska 99801

Dear Ted, Frank and Don,

We were dismayed to hear that Northern Air Cargo's effort to serve the transportation needs of Alaskan Bush Communities has been foiled again by exemption #770 Q which became effective December 1, 1984.

My husband and I have lived in Alaska for 35 years, 32 of those years we have lived in Bush Alaska and educated our children via correspondence. Over the years we have used the C-82s to haul in boats, tractors, D-2 Cat, fuel tanks, lumber and building materials to name a few items. Those trips would have been extremely expensive if we had been able to ship in only the large items and had not been able to fill out the loads with general cargo.

When my husband and I left the public hearing in Anchorage held August 25, 1984 we felt that all participants had clearly demonstrated to the FAA representatives the great need for freight and general cargo hauling in Alaska in the 12,000 pound category. The C-82 fills a need no other freight plane can fill economically.

Not a single person at the hearing testified that the C-82 was no longer needed. On the contrary, all testified that for certain size loads the C-82 filled a need in Bush Alaska no other cargo plane could fill.

It was pointed out many times that the C-82 was no competition to larger freight hauling planes but was needed when accumulated freight and general cargo was not sufficient to warrant the cost involved for a Hercules charter.

We felt that in view of the over whelming positive testimony there was no way the FAA could not grant the C-82 Boxcar Exemption. Apparently we were wrong.

It is difficult for many of us living in the Bush to see why the FAA continues to consider the C-82 as surplus to the needs of Alaskans everywhere.

We feel certain the decision cannot be because of safety as Northern Air Cargo's safety record is beyond reproach. In the hands of the Northern Air Cargo's pilots, the C-82s have an impeccable safety record.

So Good



In Glass

Page 2 letter from Randy Briggs, Ugashik, Alaska

It cannot be because no need has been demonstrated because every person who testified during the entire hearing proved there was indeed a great need and that need is continuing to grow.

Nor can it be because the planes are too old because there are planes older which are still being certified.

It has been said, "Man has two reasons for everything he does, a good sounding reason and a real reason." Since the reasons given aren't even good sounding reasons, we wonder what the real reasons are?

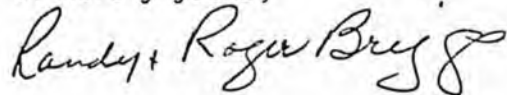
Can politics be one of the real reasons? If so, we feel it is time to put the need of Alaskan Pioneers as well as new Bush Pioneers ahead of politics.

We shall certainly appreciate anything you or your staff can do to see that Northern Air Cargo can resume full air cargo service to bush communities, not on a year to year basis, but for a period of several years at a time without unfair restrictions.

There is no way any business can continue to expend large sums of money to upgrade equipment, which, because of the whims of a few bureaucrats, may not be able to be used for profit a year hence.

We believe through your combined efforts, we shall again be seeing the Boxcars flying overhead serving Alaskans wherever needed.

Sincerely yours,



Randy and Roger Briggs

NORTHERN AIR CARGO, Inc

3900 W. International Airport Rd.
Anchorage, Alaska 99502
Phone (907) 243-3331

C-82 FLYING BOXCARS SINCE 1953
DC-6 CARGO AND TANKER AIRCRAFT

December 7, 1984

Mr. Bill Sheffield
Governor of Alaska
Pouch A
Juneau, Alaska 99811

Dear Governor Sheffield:

Attached is a copy of our petition for reconsideration of the partial denial of our C-82 Boxcar Exemption. This petition is a repeat of Northern Air Cargo's continuing efforts to serve the transportation needs of the Alaska bush communities.

Northern Air Cargo more recently was operating under a temporary Exemption No. 770P granted May 18, 1984, issued as a result of a public hearing held April 25, 1984. This Exemption was to expire May 31, 1985, or until the F.A.A. had time to act upon our first reconsideration unless sooner superseded or rescinded.

On November 5, 1984, Exemption No. 770Q was received by me to become effective December 1, 1984. Exemption No. 770Q denies Northern Air Cargo authority to transport general cargo within Alaska and severely restricts the number of airports into which the C-82 is allowed to operate.

We understand the basic reservation that many at the Washington level may have for restricted category aircraft, but that you as an Alaskan surely can understand the valid basis behind and the ongoing current need for these aircraft to provide safe, dependable, and economic air service to bush Alaska.

Northern Air Cargo's two restricted C-82s have flown for years without incident under F.A.R. Part 121 - the highest level of safety - for more than 29,000 flight hours and in so doing have established the best safety record for any heavy aircraft in cargo operation within Alaska.

Continued to Page 2

Page 2

Continuation of such an operation can in no way contribute to the safety image. Excessive restrictions imposed by Exemption No. 770Q defeat the intended purpose to serve a well documented public need and impose an unwarrantable economic hardship upon the citizens of Alaska.

We have been recently working with the Office of Commercial Fisheries Development. The Northern Air Cargo C-82s have had many years involvement with the fishing industry. The Director, Mr. F. Gregory Baker, has been more than helpfu' and we would like him to continue coordinating our efforts.

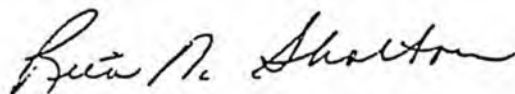
This issue requires immediate attention. We would appreciate your support in behalf of Northern Air Cargo so we can resume the air cargo service that we have provided to the bush communities these last 28 years.

Please do not hesitate to contact us if you have any questions with regard to this matter or if you would wish us to submit any additional materials.

Thank you for your time and consideration.

Sincerely,

NORTHERN AIR CARGO, INC.



Rita N. Sholton
President

Enc:

WORK ORDER REQUEST FORM

14-3508

KEYWORDS: UNEMPLOYMENT
air service

ASSIGNED TO Ford

REQUEST FOR: BILL RESOLUTION RESEARCH OTHER

SUBJECT Air service

REQUESTED FOR Rep. Cato BY Rhonda EXT. 4038

* DELIVER TO Rep. Cato TAKEN BY Ford

INSTRUCTIONS, EXPLANATIONS Draft resolution to protest deletion of essential air service from budget by O.H.D. See attached article.

OBTAIN

SPECIAL DRAFTING INSTRUCTIONS ATTACHED

AUTHORIZED TO CONFER WITH _____

RETURN _____

TO REQUESTER

APPROVED: BGB Director, Legal Services

REVIEWED _____

IN 02/04/88 DUE _____

TYPED - Draft _____ DATE _____

Final _____ DATE _____

PROOFED _____ DELIVERED _____

SPECIAL INSTRUCTIONS TO TYPIST/PROOFREADER

DRAFT

FINAL

I got nothing that I asked for,
but everything I had hoped for.

Almost despite myself,
my unspoken prayers were answered.

I am among all men, most richly blessed]

Father, be with this deliberative body
today, and help them to perceive and do
Your will.

We ask these things in the name of our
Lord.

Amen"

The presence of Senators Ferguson and Vic Fischer was noted.

Senator Halford moved and asked unanimous consent that the journals for the sixty-eighth, sixty-ninth and seventieth legislative days be approved as certified by the Secretary. Without objection, it was so ordered.

MESSAGES FROM THE HOUSE

HJR 16

Message of March 22 was read, stating the House concurred in the Senate amendment, thus passing:

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION
NO. 16 (TRSP)
(essential air service)

SB 101

Message of March 22 was read, stating the House passed and returned:

CS FOR SENATE BILL NO. 101 (JUD) am
(character investigation and fingerprinting
of applicants to the Alaska Bar Association;
and amending Rule 3, section 2 and Rule 5,
section 1(b) of the Rules of the Alaska Bar
Association)

CS FOR SENATE BILL NO. 101 (JUD) am was referred to the Secretary for enrollment.

Message of March 22 was read, stating the House passed:

SENATE JOURNAL

ALASKA STATE LEGISLATURE

FOURTEENTH LEGISLATURE · FIRST SESSION

JUNEAU, ALASKA

MONDAY

March 25, 1985

Seventy-first Day

Pursuant to adjournment, the Senate was called to order by President Bennett at 11:05 a.m.

The roll showed sixteen members present. Senators Ferguson, Vic Fischer, Josephson and Rodey were absent.

The prayer was offered by the Chaplain, Father Finn of the St. Paul Catholic Church. Senator Halford moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

"I asked God for strength,
that I might achieve...

I was made weak,
that I might learn humbly to obey,

I asked for health,
that I might do greater things...

I was given infirmity,
that I might do better things.

I asked for riches,
that I might be happy...

I was given poverty,
that I might be wise,

I asked for power,
that I might have the praise of men...

I was given weakness,
that I might feel the need of God.

I asked for all things,
that I might enjoy life...

I was given life,
that I might enjoy all things.

SENATE JOURNAL

ALASKA STATE LEGISLATURE
FOURTEENTH LEGISLATURE - FIRST SESSION

JUNEAU, ALASKA

TUESDAY

February 26, 1985

Forty-fourth Day

Pursuant to adjournment, the Senate was called to order by President Bennett at 11:05 a.m.

The roll showed seventeen members present. Senators Ray and Zharoff were excused from a call of the Senate. Senator Sackett was absent.

The prayer was offered by the Chaplain, Lieutenant Bradford Russell of the Salvation Army.

Senator Halford moved and asked unanimous consent that the journal for the forty-third legislative day and Senate and House Supplement No. 5 be approved as certified by the Secretary. Without objection, it was so ordered.

Senator Sackett requested that he be shown as present.

MESSAGES FROM THE HOUSE

Message of February 25 was read, stating the House passed:

FIRST READING AND REFERENCE OF HOUSE RESOLUTIONS

HJR 16

CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) am by the Transportation Committee,

Relating to essential air service,

was read the first time and referred to the Transportation Committee.

FIRST READING AND REFERENCE OF HOUSE BILLS

HB 157

CS FOR HOUSE BILL NO. 157 (JUD) am by the Judiciary Committee, entitled:

"An Act making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date."

was read the first time and referred to the Judiciary Committee.

COMMUNICATIONS

The Secretary announced receipt of:

POLICY CONFERENCE ON YOUNG CHILDREN, CONFERENCE SUMMARY, November 1984
received from Senator Josephson, Chairman, Health, Education and Social Services Committee, Thirteenth Alaska Legislature.

Senator Josephson moved and asked unanimous consent that the report and letter of transmittal be spread in a supplemental journal. Without objection, the report and letter appear in Supplement No. 17.

The summary is also on file in the Office of the Secretary of the Senate.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
INSURANCE REPORT, 1984
received in accordance with AS 21.06.110

ALASKA'S ENERGY PLAN 1985
received from Jack Roderick, Director of Energy, Department of Commerce & Economic Development, February 25, 1985 in accordance with AS 44.83.224

The reports are on file in the Office of the Secretary of the Senate.

DISTRICT 27:
AKHIOK
CHIGNIK
CHIGNIK LAGOON
CHIGNIK LAKE
CHINIAK
IVANOF BAY
KARLUK
KODIAK
LARSEN BAY
OLD HARBOR
OUZINKIE
PERRYVILLE
PORT LIONS
WOMEN'S BAY

Alaska State Legislature



House of Representatives

file

REPRESENTATIVE
DAVE THOMPSON
WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA 99811
(907) 465-2487
(907) 465-2498
P.O. BOX 75
KODIAK, ALASKA 99615
(H)(907) 486-4899
(L)(907) 486-8116

MEMORANDUM

2/20/85

TO: Representative Bette Cato

FROM: Representative Dave Thompson *DUT*

SUBJECT: Essential Air Service

The following information on current and proposed Essential Air Service subsidies to Alaska air carriers and communities served is provided at your request.

The communities currently served with Essential Air Service subsidies, the air carriers providing that service and the amounts those air carriers are receiving, according to U.S. Dept. of Transp., Anchorage, are:

1. Southeast communities; Cordova, Gustavus, Petersburg, Wrangle, and Yakutat
Served by; Alaska Airlines
Subsidy; \$3,572,778

Southeast communities; Boswell Bay, Cape Yagataga, Chitna, and Icy Bay
Served by; Chitna Air
Subsidy; \$112,986
2. Kodiak communities; Akhiok, Amhok Bay, Karluk, Kitoi Bay, Larson Bay, Lazy Bay, Moser Bay, Old Harbor, Olga Bay, Ouzinkie, Parks, Port Bailey, Port Lions, Port Williams, Uganik, Terror Bay, West Point, and Zachar Bay
Served by; Sea Air
Subsidy; \$488,735
3. Aleutian Chain communities; Akutat, Atka, and St. George
Served by; Peninsula Airways
Subsidy; \$298,330

4. Chitina River Area; Chisana, McCarthy, and May Creek
Served by; Elias Air Taxi
Subsidy; \$56,333

Other communities being considered for service via Essential Air Service subsidies include:

1. Seward - approximate subsidy; \$50,000
2. Captovic- no proposals
3. Wiseman - approximate subsidy; \$11,000
4. Central and Circle - approximate subsidy; \$4,000
5. Cape Romanzoff and Cape Newenham - approximate subsidy;
\$173,000
6. Nome Area: Council - no proposals

Total essential air service subsidy available for the State of Alaska appears to be between \$4.5 and \$5 million dollars.

SB 167

The Labor and Commerce Committee considered SENATE BILL NO. 167 (dispensing opticians; efd) and recommended it be replaced with

CS FOR SENATE BILL NO. 167 (L&C), entitled:

"An Act relating to dispensing opticians and optometrists; and providing for an effective date."

with a majority do pass. The report was signed by Senator Zharoff, Chairman and concurred in by Senators Bennett, Eliason and Ray.

Senator Fahrenkamp, Chairman, moved and asked unanimous consent that the Health, Education and Social Services Committee referral on SENATE BILL NO. 167 be waived. Without objection, it was so ordered.

SENATE BILL NO. 167 was referred to the Finance Committee.

HJR 16

The Transportation Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) am (essential air service) and recommended it be replaced with

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION
NO. 16 (TRSP)

with a majority do pass. The report was signed by Senator Coghill, Chairman and concurred in by Senators Josephson, Abood and Paul Fischer. Senator Faiks signed "no recommendation".

CS FOR HOUSE JOINT RESOLUTION NO. 16 (TRSP) am was referred to the Rules Committee.

INTRODUCTION AND REFERENCE OF SENATE RESOLUTIONSSCR 15

SENATE CONCURRENT RESOLUTION NO. 15 by Senators Paul Fischer and DeVries,

Proposing an amendment to the Uniform Rules of the Alaska State Legislature to include the Pledge of Allegiance as part of the daily order of business,

was read the first time and referred to the Rules Committee.



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

10/31/89
Date

HAR

5

COMMITTEE REPORT
HOUSE

4/16
Rules

(7)

FURTHER:

2/22/85

Date: 16 APRIL 1985

Mr. Speaker:

The Committee on TRANSPORTATION has had HR 5

Relating to designating Hyder, Alaska as "Mile 0" of the Alaska-Yukon Highway.

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation Zero Fiscal Note Attached
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Will Turner

MEMBERS HAVING
OTHER RECOMMENDATIONS:

A. L. Miller

John P. ...

Mike ... No Rec.

Mike Dan

CHAIRMAN

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE BILLS

HB 379

HOUSE BILL NO. 379 by the Health, Education & Social Services Committee, entitled:

"An Act making a special appropriation to the Department of Health and Social Services for a study of the effects of carbon monoxide poisoning; and providing for an effective date."

was read the first time and referred to the Health, Education & Social Services and Finance Committees.

HB 380

HOUSE BILL NO. 380 by Szymanski, entitled:

"An Act relating to public utility water and sewer service extensions."

was read the first time and referred to the Community & Regional Affairs Committee.

HB 381

HOUSE BILL NO. 381 by Martin, entitled:

"An Act relating to the transfer of gasoline dealer leases."

was read the first time and referred to the Labor & Commerce and Judiciary Committees.

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE BILLS

HB 219

HOUSE BILL NO. 219 (relating to the applicability of the Alaska Public Utilities Commission Act to certain electric utilities; power development loans; and the energy program for Alaska) was read the second time with the House Special Committee on State Loans report (page 560), the Resources Committee report (page 601) and the Finance Committee report (page 919).

HR 5

The Transportation Committee has considered HOUSE RESOLUTION NO. 5 (relating to designating Hyder, Alaska, as "Mile 0" of the Alaska-Yukon Highway) and reports it back as follows: Furnace recommends do pass; Pignalberi recommends do not pass; Davis (Vice-Chairman), Marrou and Shultz have no recommendation.

HR 5 was referred to the Rules Committee for placement on the calendar.

HJR 34

The Health, Education & Social Services Committee has considered HOUSE JOINT RESOLUTION NO. 34 (urging Congress to maintain the current level of federal funding for child nutrition programs) and reports it back as follows: Koponen (Co-Chair), Gruenberg and Taylor recommend do pass; Hanley, Thompson and Pettyjohn have no recommendation.

HJR 34 was referred to the Rules Committee for placement on the calendar.

SSHB 20

The Finance Committee has considered SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 20 (relating to interest on deposits collected by public utilities) and reports it back as follows: Ringstad (Vice-Chairman), Szymanski and Larson recommend do pass; Frank, Rieger, Binkley, Cotten, Pourchot and Uehling have no recommendation.

SSHB 20 was referred to the Rules Committee for placement on the calendar.

HB 316

The Finance Committee has considered HOUSE BILL NO. 316 (relating to the navigable or public waters of the state; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 316 (Finance) (same title) and reports it back as follows: Ringstad (Vice-Chairman), Cotten, Frank, Rieger, Szymanski, Larson and Uehling recommend do pass; Binkley has no recommendation.

HB 316 was referred to the Rules Committee for placement on the calendar.

CSHCR 15(Rls)am

Representative Shultz objected and withdrew his objection. There being no further objection, Amendment No. 3 was adopted.

Representative Shultz placed a call of the House.

The Speaker stated the call had been satisfied.

Representative Shultz lifted the call.

The question being: "Shall CSHCR 15(Rls)am pass the House?" The roll was taken with the following result:

CSHCR 15(RLS)AM

Yeas:	15	Davis, Frank, Hanley, Hurley, Jenkins, Larson, Marrou, Miller, M.W., Pearce, Pettyjohn, Phillips, Pourchot, Ringstad, Shultz, Taylor
Nays:	25	Adams, Binkley, Boucher, Cato, Clocksin, Collins, Cotten, Duncan, Fuller, Furnace, Goll, Gruenberg, Grussendorf, Herrmann, Koponen, Martin, Miller, M.M., Navarre, Pignalberi, Rieger, Sund, Szymanski, Thompson, Uehling, Wallis
Excused:	0	
Absent:	0	

And so, CSHCR 15(Rls)am failed to pass the House.

Representative Shultz gave notice of reconsideration of his vote on CSHCR 15(Rls)am.

HR 5

HOUSE RESOLUTION NO. 5 (relating to designating Hyder, Alaska, as "Mile 0" of the Alaska-Yukon Highway) was read the second time with the Transportation Committee report (page 947).

HR 5

Amendment No. 1 by Gruenberg and Jenkins:

Page 1, line 5:

Change "Hyde" to "Spenard"

Page 1, lines 8 - 9:

Change to read: "WHEREAS Spenard Road contains some of Alaska's most notorious and noteworthy landmarks; and"

Page 1, line 12:

Change "Hyder-Stewart-Cassiar Highway" to "Spenard Road"

Page 1, lines 14 - 16:

Change to read: "WHEREAS Spenard Road is the first contact many visitors have with Alaska and is thus truly the 'Gateway to Alaska'; and"

Page 1, lines 17 - 19:

Change to read: "WHEREAS Spenard is rich in history, rumor, and folklore;"

Page 1, line 22:

Change "Hyder" to "Spenard"

Representative Gruenberg moved and asked unanimous consent that Amendment No. 1 be adopted.

Representative Jenkins objected.

Representative Jenkins moved and asked unanimous consent that Amendment No. 1 be withdrawn. There being no objection, it was so ordered.

Amendment No. 2 by Furnace, Martin and Jenkins:

Page 1, line 22:

Delete "Milo 0"
Add "Mile 1"

Representative Furnace moved and asked unanimous consent that Amendment No. 2 be adopted.

HR 5

Representative Furnace moved and asked unanimous consent that Amendment No. 2 be withdrawn.

Representative Duncan objected.

The question being: "Shall Amendment No. 2 be withdrawn?"
The roll was taken with the following result:

HR 5 MOTION

Yeas:	22	Collins, Cotten, Furnace, Gruenberg, Grussendorf, Hanley, Jenkins, Larson, Marrou, Martin, Miller, M.W., Navarre, Pearce, Pettyjohn, Phillips, Pignalberi, Pourchot, Rieger, Ringstad, Shultz, Thompson, Uehling
Nays:	16	Binkley, Boucher, Cato, Clocksin, Duncan, Frank, Fuller, Goll, Herrmann, Hurley, Koponen, Miller, M.M., Sund, Szymanski, Taylor, Wallis
Excused:	0	
Absent:	2	Adams, Davis

And so, Amendment No. 2 was withdrawn.

The question being: "Shall HR 5 pass the House?" The roll was taken with the following result:

HR 5

Yeas:	39	Binkley, Boucher, Cato, Clocksin, Collins, Cotten, Davis, Duncan, Frank, Fuller, Furnace, Goll, Gruenberg, Grussendorf, Hanley, Herrmann, Hurley, Jenkins, Koponen, Larson, Marrou, Martin, Miller, M.M., Miller, M.W., Navarre, Pearce, Pettyjohn, Phillips, Pignalberi, Pourchot, Rieger, Ringstad, Shultz, Sund, Szymanski, Taylor, Thompson, Uehling, Wallis
Nays:	0	
Excused:	0	
Absent:	1	Adams

And so, HR 5 passed the House and was referred to the Chief Clerk for engrossment and enrollment.

HR 7

HOUSE RESOLUTION NO. 7 (relating to development and investment in the state by large out-of-state businesses) was read the second time with the Labor & Commerce Committee report (page 819).

Representative Clocksin moved and asked unanimous consent that COMMITTEE SUBSTITUTE FOR HOUSE RESOLUTION NO. 7 (Labor & Commerce) (same title) be adopted in lieu of the original resolution.

Representative Szymanski objected and withdrew his objection. There being no further objection, CSHR 7(L&C) was adopted in lieu of the original resolution.

CSHR 7(L&C)

Amendment No. 1 by Marrou:

Page 1, lines 6, 10, 15, 19, 21, 24:

Delete "large"

Representative Marrou moved and asked unanimous consent that Amendment No. 1 be adopted.

Representative Pignalberi objected.

The question being: "Shall Amendment No. 1 be adopted?"
The roll was taken with the following result:

CSHR 7(L&C) AM1

Yeas:	16	Binkley, Cotten, Frank, Furnace, Goll, Gruenberg, Hurlley, Jenkins, Marrou, Martin, Miller, M.W., Pearce, Pettyjohn, Pourchot, Rieger, Szymanski
Nays:	23	Boucher, Cato, Clocksin, Collins, Davis, Duncan, Fuller, Grussendorf, Hanley, Herrmann, Koponen, Larson, Miller, M.M., Navarre, Phillips, Pignalberi, Ringstad, Shultz, Sund, Taylor, Thompson, Uehling, Wallis

MESSAGES FROM THE GOVERNORHR 5

A message dated May 8, 1985, was read stating the Governor has read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HOUSE RESOLUTION NO. 5
(Relating to designating Hyder, Alaska
as "Mile 0" of the Alaska-Yukon
Highway.)

House Resolve No. 6

MESSAGES FROM THE SENATE

A message dated May 8, 1985, was read stating the Senate has approved the following citation:

Honoring - Robert (Bobby) Williams
by Senator Coghill

The citation was referred to the Rules Committee for placement on the calendar.

HB 198am

A message dated May 8, 1985, was read stating the Senate has passed HOUSE BILL NO. 198 amended (relating to municipal assistance for certain municipalities organized under federal law; effective date) with the following amendment:

SENATE COMMITTEE SUBSTITUTE FOR HOUSE
BILL NO. 198 (Community & Regional
Affairs) (same title)

and it is transmitted for consideration.

HB 198am will be taken up under Unfinished Business.

CASHB 226(HESS)

A message dated May 8, 1985, was read stating the Senate has passed COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 226 (HESS) (relating to school boards) with the following amendment:

HOUSE JOURNAL

ALASKA STATE LEGISLATURE

FOURTEENTH LEGISLATURE · FIRST SESSION

Juneau, Alaska

Thursday

May 9, 1985

One Hundred Sixteenth Day

Pursuant to adjournment, the House was called to order by Speaker Grussendorf at 10:14 a.m.

Roll call showed 39 members present. Representative Koponen was excused due to illness.

The invocation was offered by the Chaplain, Pastor Paul Cady of the Douglas Island Bible Church. Representative Martin moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it appears below:

"Dear Heavenly Father,

We thank You for those here who labor in government and law. You tell us in Your Word that those who do so are the ministers of God for good. Therefore, as these ministers of Yours go about their duties today, give them wisdom and keen insight that they may truly be Your agents for good to all of us who live in this great State. Give each one a sense of being not only the servant of the people, but the servant of God. Thank You, Father!

In Christ's Name we pray, Amen!"

CERTIFICATION OF THE JOURNAL

Representative Clocksin moved and asked unanimous consent that the journal for the 11th day and House Journal Supplement No. 67 be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE GOVERNORHR 5

A message dated May 8, 1985, was read stating the Governor has read the following resolution and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HOUSE RESOLUTION NO. 5
(Relating to designating Hyder, Alaska
as "Mile 0" of the Alaska-Yukon
Highway.)

House Resolve No. 6

MESSAGES FROM THE SENATE

A message dated May 8, 1985, was read stating the Senate has approved the following citation:

Honoring - Robert (Bobby) Williams
by Senator Coghill

The citation was referred to the Rules Committee for placement on the calendar.

HB 198am

A message dated May 8, 1985, was read stating the Senate has passed HOUSE BILL NO. 198 amended (relating to municipal assistance for certain municipalities organized under federal law; effective date) with the following amendment:

SENATE COMMITTEE SUBSTITUTE FOR HOUSE
BILL NO. 198 (Community & Regional
Affairs) (same title)

and it is transmitted for consideration.

HB 198am will be taken up under Unfinished Business.

CSHB 226(HESS)

A message dated May 8, 1985, was read stating the Senate has passed COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 226 (HES5) (relating to school boards) with the following amendment: