

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6745 SENATE TRANSPORTATION

1/49

FISCAL NOTE ANALYSIS

SCR 37

Assumptions

Two standard highway name signs will be installed at either end of the newly named Milo Fritz Avenue. Please note that the Senate Resolution is in error. It is Anchor Point Avenue opposite North Fork Road that the community wants to change the name to Milo Fritz Avenue and not Anchor Point Road to Milo Fritz Road. Please see the attached map.

Program Summary

1. Positions: No new positions would be required.
2. Other expenditures: None required.
3. Funding: This project would be funded with General Fund monies.
4. Section cost analysis: Not applicable.

Computations

The cost will be borne by Maintenance & Operations (signs \$200./Labor \$300.)

Economic Impact

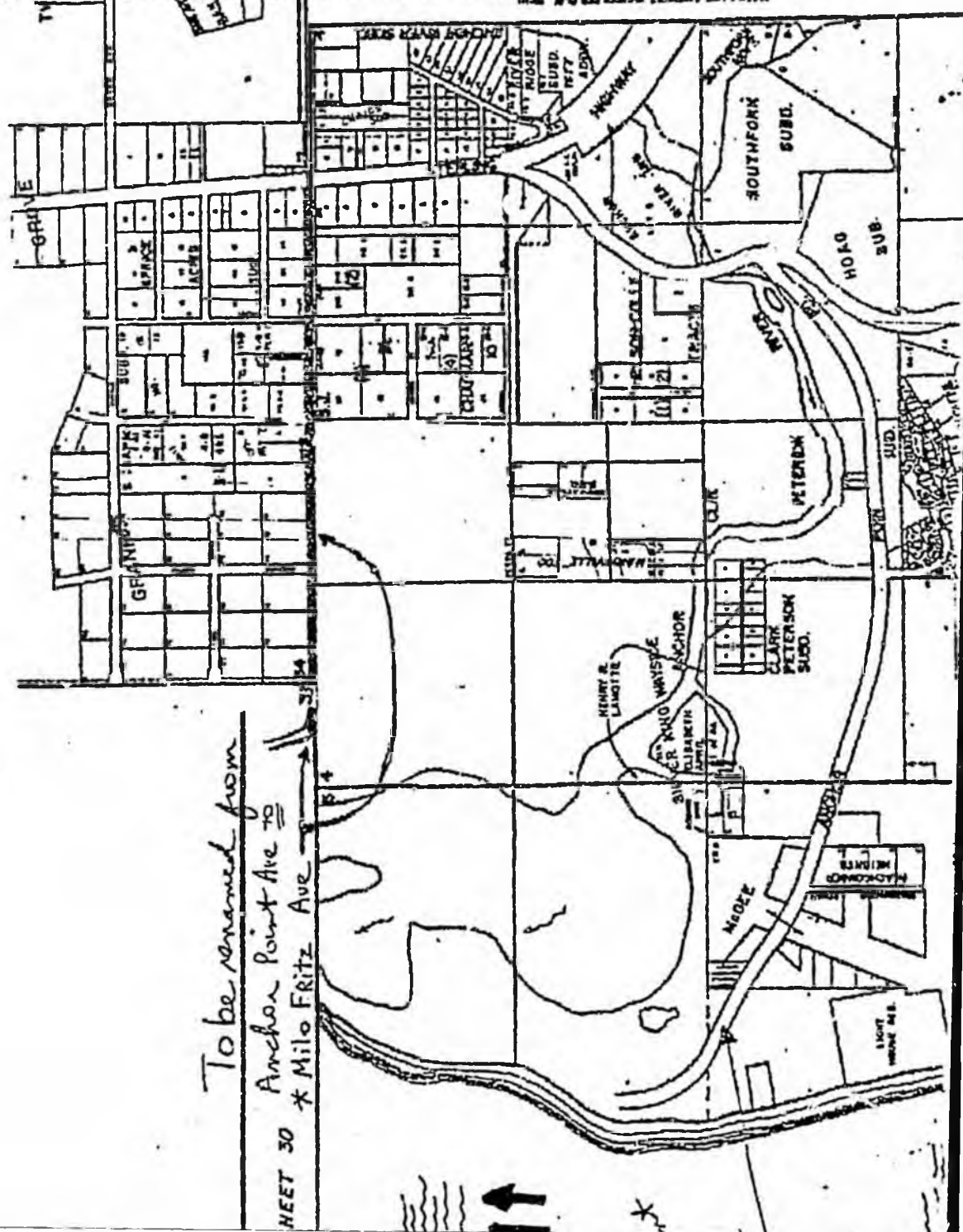
None

Impact on Local Government

None

Attachments: Map

JAN 16 '90 09:41 KENAI PENINSULA BORO 9072621892



To be renamed from
 Anchor Point Ave to
 * Milo FRITZ Ave

HEET 30

S C R

41

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: January 17, 1990

FURTHER: Finance

Date of 5-Day Notice: 2-22-90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3-12-90

Transportation Committee considered SENATE CONCURRENT RES. 41

Relating to the transfer of Cordova maintenance station to the Northern Region of the Department of Transportation and Public Facilities.

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) DOTPI-

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chair Signature and Recommendation

**STATE OF ALASKA
1990 LEGISLATIVE SESSION**

**BILL VERSION: SCR 41
PUBLISH DATE: 01/17/90**

REQUEST: FISCAL NOTE

Revision Date:
Title: "An Act relating to the transfer of
the Cordova maintenance station"
Sponsor: Kerttula
Requestor: Senate Transportation

Agency Affected: DOT&PF
BRU: Northern Region

Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

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

ANALYSIS:

Prepared by: W. Keith Gerken, Deputy Commissioner, Operations
Division: Office of the Commissioner

Phone: 465-3900
Date: March 9, 1990

Approved by Commissioner: Mark S. Hickey *MSH*
Agency: Department of Transportation and Public Facilities

Date: 3/9/90

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



Alaska State Legislature

SENATE

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senator Lloyd Jones, Chairman
Senate Transportation Committee

FROM: Senator Jay Kerttula

SUBJ: SCR 41 -- Transfer of the
Cordova Maintenance Station

DATE: February 21, 1990

FEB 26 1990

SCR 41 would request that the Department of Transportation transfer the Cordova Maintenance station from the central region of DOT to the northern region.

This transfer has overwhelming support from the community -- indicated by the attached resolution from the City of Cordova and the attached letter from the Cordova R.O.A.D. Committee. In addition, it appears that the Northern Region for DOT also supports the transfer, basing their support on increased efficiency which would be realized by management from Valdez. I have also attached a DOT memorandum on the proposal.

I appreciate your scheduling this resolution.

JK:kh

Lloyd

D.O.T. has approved since we intro. the Reso - but passage may further occur to happening

REVISED

CITY OF CORDOVA, ALASKA

RESOLUTION 90-05

A RESOLUTION OF THE CORDOVA CITY COUNCIL REGARDING
THE NEED FOR PROGRAMS OF THE STATE OF ALASKA IN CORDOVA

WHEREAS, Cordova is a substantial community with a fishing based economy, and

WHEREAS, certain state programs provide vital assistance to the residents of the community, and

WHEREAS, in recent years there has been an erosion in the level of service available to the community from the State of Alaska.

NOW, THEREFORE, BE IT RESOLVED that the Cordova City Council hereby requests the following programs be reinstated or initiated in Cordova: They are not given in priority order.

Office of the Governor

Reinstatement of the Governor's Office in Cordova

Department of Health and Social Services

Reinstatement of the Public Health Nurse Position

Department of Labor

Reopening of the Job Service Office

Department of Natural Resources

Construction and operation of a state park with camping facilities

Department of Transportation and Public Facilities

Restore the level of road maintenance of state roads to previous level

Paving of Whitshed Road

Finish building the Copper River Highway

Construct a sidewalk across Odiak Slough

City of Cordova - Resolution

Restore ferry service to previous level

Change the administration of the Cordova office to the Northern District

Construction of a bike/pedestrian trail to Mile 13 of the Copper River Highway


Repair or replacement of the ferry transfer bridge in a timely manner

Winter road maintenance on the Copper River Highway as far as the Forest Service Ski Trails

Legislative Affairs Office

Institution of a Legislative Information Office

PASSED AND APPROVED THIS 17th DAY OF January, 1990.



Mayor Robert Van Brocklin


for D. Lynda Plant, City Clerk



Alaska R.O.A.D. Association

P.O. Box 535, Cordova, Alaska 99574-0535
(907) 424-5755

January 8, 1990

Ms. Audrey Burton
P.O. Box 81
Cordova, Alaska. 99574-0081

Dear Audrey:

I have enclosed the memo from Deputy Commissioner Gerken regarding Cordova's request to be placed into DOT&PF Northern Region maintainence.

The City of Cordova has been requesting this switch for several years now. They have noticed as the legal entity that something is wrong with the system.

The Alaska ROAD association has been voicing our concern over lack of a budget for Cordov Station, inadequate staffing, and staff distribution such that no meaningful work can be accomplished.

These pleas have to date, drawn no positive response. In fact the most recent crew shuffle and scheduling have brought about decreases in equipment time.

I hope Mr. Gerken's response will help your understanding of the situation. Central Region is clearly deaf to our pleas. Northern Region knows they can do a better job here. They have stated over the phone that they would for instance, give the Station Manager a budget.

Cordova City Council once again listed the change in maintainence districts as a priority goal last meeting, and the Governor heard about it first-hand. Representative Kubina was also made aware of the situation.

If we may aid your efforts in any way, please call on us.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry Hogan". The signature is written in a cursive, somewhat stylized font.

Larry Hogan, vp

cc: Steve Cowper
Jay Kerttula
Gene Kubina
Mike Szymanski
Mark Hickey
Nancy Gross

AK R.O.A.D. - Position Paper

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities

TO: Mark Hickey

DATE: October 19, 1989

FILE NO:

TELEPHONE: 465-3900

FROM: W. Keith Gerken
Deputy Commissioner

SUBJECT: Cordova Station

A proposal to transfer the responsibility for the Cordova station from the Central to the Northern Region has been made by the Cordova community and discussed for the last several months by our two regions. The jurisdiction for Cordova has been changed several times over the years and history has it that both Cordova and Valdez have been jointly and separately administered by both Anchorage and Fairbanks at various times. In hearing of the reasons for the various changes it is my impression that they have been subtle arguments each time and often colored by personalities.

From the communities view the rationale for a change at this time is that maintenance will be improved and the Copper River Highway will be more likely to proceed to construction. Nothing I have heard would indicate that either of these outcomes would be dependent on the location of the management of the Cordova station.

From the departments view, the Northern Region believes that some efficiency will be realized by management from Valdez. The ability to share equipment and personnel and the common coastal conditions of these two communities makes them a compatible management association. Central region's attitude about this is probably best summed up with the tired colloquialism, "if it ain't broke, don't fix it" (incidentally a horrible saying for any believer in preventative maintenance).

My proposal is that 1) the management of the Cordova station stay as it is and 2) that maintenance for the entire contiguous state road system be under the one region rather than split as it currently is. My reasons for #1 are that changing it would send a message to employees and the community that there is something wrong that is being fixed and I don't believe that we have identified what needs to be fixed. My reasons for #2 are that it just makes sense. I would make it clear that the last two years of maintenance beyond the million dollar bridge indicate a base level of service which we would intend to continue to provide.

cc: Kit Duke
John Horn

CONCUR: Mark D. Hickey
10/19/89

DOT/PF Memo

White

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX Z
JUNEAU, ALASKA 99811-2500
PHONE: (907) 465-3900

February 14, 1990

Mr. Robert VanBrocklin
Mayor of Cordova
P.O. Box 1210
Cordova, AK 99574

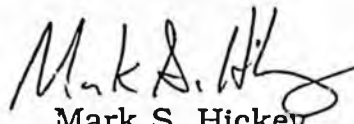
Dear Mayor VanBrocklin:

The Cordova city council passed a resolution on January 17, 1990, which among other things requested that DOT&PF services for Cordova be administered by Northern Region rather than the Central Region. There has been a debate regarding the proper organizational place for Cordova for many years and changes have been made before. I do not want to make a change simply as a pretence of some greater action, and this was the foundation of our decision last October to leave things as they were. However, because we believe that this can work under either management group, and because we give credence to the wishes of the city's elected body, I have approved this change to be effective on or before July 1, 1990.

I want to be sure that you and the council understand that this change in itself is not a panacea for all of the concerns that have been raised. Many of the problems that have been cited are the result of a maintenance budget that is too small. This is a problem that we have in many locations throughout the state. We will continue to work to bring more resources to bear on our responsibilities and at the same time work to do more with what resources we have.

I would like to ask for your patience and cooperation while we work through a transition period, and I would welcome any comments or suggestions that you may have in the future.

Sincerely,



Mark S. Hickey
Commissioner

cc: The Honorable Steve Cowper, Governor
The Honorable Eugene Kubina, Alaska State Representative
The Honorable Mike Szymanski, Alaska State Senator
The Honorable Jalmar Kerttula, Alaska State Senator

S C R

47

BY SEN. COGHILL

1 IN THE SENATE

2

SENATE CONCURRENT RESOLUTION NO. 47

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

Relating to construction of a rural road
system.

6

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

8

WHEREAS a network of roads does not exist in rural Alaska; and

9

WHEREAS many communities in the state need to be connected with neighboring cities; and

10

WHEREAS several cities in rural Alaska would like to be connected to the existing road systems near the cities; and

11

WHEREAS a seasonal road system would provide an alternate means of moving freight to communities in rural Alaska; and

12

WHEREAS a road system, even though seasonal and minimal, would contribute to the reduction of the cost of living in many rural areas of the state; and

13

WHEREAS a pioneer road system would be the basis upon which a future, more permanent road system, could be established; and

14

WHEREAS several communities in the state would be willing to assume the responsibility of developing and maintaining a segment of a minimum-standard road if they were to receive encouragement from the Department of Transportation and Public Facilities; and

15

WHEREAS the present criteria in the Department of Transportation and Public Facilities for road construction and maintenance are not conducive to development of a low-cost, seasonal road; and

16

WHEREAS a seasonal road system would promote development of, and give access to, the state's natural resources; and

17

WHEREAS a pioneer road would allow safe and economical transportation

18

1 of hazardous materials, including fuels and explosives; and

2 WHEREAS a pioneer road would provide an alternate means for convenient
3 personal transportation that is not subject to air schedules; and

4 WHEREAS a pioneer road would make it possible to better utilize the
5 vehicles owned by rural residents because it would make travel outside the
6 immediate community more practical;

7 BE IT RESOLVED that the Alaska State Legislature respectfully encour-
8 ages the Department of Transportation and Public Facilities to establish
9 standards and policies for ~~pioneer road~~ construction and maintenance *of pioneer roads.*

10 COPIES of this resolution shall be sent to the Honorable Mark S.
11 Hickey, commissioner of transportation and public facilities; the Honorable
12 Lennie Gorsuch, commissioner of natural resources; and to the Honorable Don
13 W. Collinsworth, commissioner of fish and game.

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

FEB 08 1990

DATE: 2/8/90

FURTHER: Finance

Date of 5-Day Notice: 2-15-90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

Transportation Committee considered SCR 47

Relating to construction of a rural road system.

and recommended:

- replace with _____ CS SCR 47 (Trsp) same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

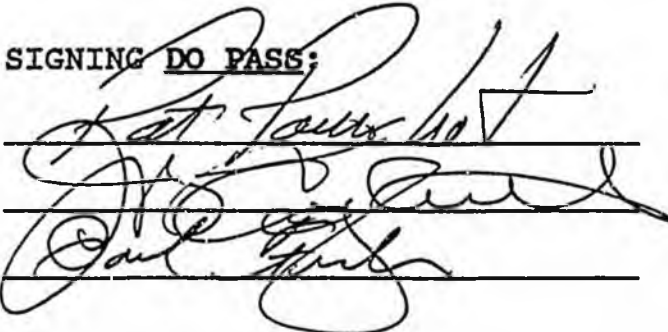
fiscal note(s) _____

zero fiscal note(s) _____

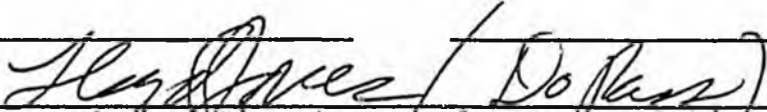
appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:



OTHER RECOMMENDATIONS:



Chair: Signature and Recommendation

STATE OF ALASKA
1990 LEGISLATIVE SESSION

BILL VERSION: CS SCR 47 (Trsp)
 PUBLISH DATE: 3/2/90

FISCAL NOTE

REQUEST:

Revision Date: 13-Feb-90 Agency Affected: Natural Resources
 Title: Relating to construction of BRU: Management & Administration
a rural road system.
 Sponsor: Coghill Components: Commissioner's Office
 Requestor: Transportation

FEB 4 1990

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Larry Ostrovsky Phone: 465-2400
 Division: Commissioner's Office Date: 13-Feb-90
 Approved by Commissioner: Lennie Gorsuch Date: 13-Feb-90
 Agency: Department of Natural Resources

Distribution (by preparer) :

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



Department of Transportation and Public Facilities

POSITION PAPER

Bill No: SCR 47

Approved: Mark S. Hickey *MSH*
Commissioner

Title: Relating to construction of a rural road system

Date: March 1, 1990

The department is very supportive of the desire to expand the highway network within the state. The resolution speaks to the establishment of standards and policies. It is our opinion that standards already exist for most all categories of roads. However, policy for the greater development of the rural transportation network does need greater attention and the department intends to make this a component of a statewide transportation planning process.

At this time, the department is undertaking to prepare a statewide transportation plan. The concept of a rural network of pioneer type roads will be considered in the preparation of the plan. Any such planned expansion will engender capital and operating budget increments.

Positive steps have been taken recently to allow for "pioneer" type roads to be constructed with federal-aid funds. We now have Federal Highway Administration approval of a non-contiguous rural collector design standard. This new standard would allow us to build pioneer-type roads in certain circumstances. When state funding is exclusively involved, we can use even lower standards, to include such concepts as winter ice roads.

We would endorse any funding proposal structured to permit the department to plan for, acquire rights-of-way, and proceed with construction of a network of rural pioneer roads. A general fund appropriation for a rural pioneer road network is the logical means to obtain progress toward the expansion of the rural road system.

11-20.00 INTRODUCTION

Throughout rural Alaska there is a need for local highway transportation systems to serve communities that are isolated from the primary and secondary highway systems of the state. The micro economies of these communities can be enhanced by local transportation systems. Current design standards for highways are out of scale with the needs of these communities and in most cases results in prohibitive costs. It is the intent of this section to establish reasonably safe design standards that will provide for the needs of these communities at a practical cost allowing a fair sharing of the highway transportation investment with rural Alaska.

11-20.01 Definition

A Non-Contiguous Rural Collector is defined as a highway that has a projected ADT < 400 and;

serves travel from adjoining properties to a community that is isolated (not connected to the primary or secondary highway system, or by a regular scheduled marine highway system) and may provide travel between two or more communities within a region that is isolated (not connected to the primary or secondary highway system).

11-20.02 Design Considerations11-20.02.01 General

All design elements not addressed in this section shall conform to all remaining sections of this manual and the 1984 AASHTO Policy on Geometric Design of Highways and Streets (Chapter V may be considered applicable).

11-20.02.02 Design Traffic Volume

Traffic projections may prove to be difficult where new highway systems are under consideration. A twenty year traffic projection is normal for design purposes but lacking any historical trends the designer may have to resort to intuition and speculation. The economic goals and trends of the community certainly can provide insights. The design period selected principally may impact pavement structure design and the results of any cost effective analysis performed. Considering the probable low ADT's capacity analysis probably would not be of consequence.

11-20.02.03 Design Vehicle

The minimum design vehicle shall be a Single Unit Truck SUT. Economic activities in the region, such as mining, may dictate a larger design vehicle.

11-20.02.04 Design Speed

The minimum design speed shall be 20 mph. Greater design speeds are desirable.

11-20.05 Bridges

The minimum design loading for bridges shall be H15. Economic activities in the region may require a larger loading.

Bridge opening hydraulic capacities shall be designed for 50 years.

11-20.06 Traveled Way and Shoulders

Traveled way and shoulders shall conform to the widths shown in Table 11-20(1).

11-20.02.07 Horizontal and Vertical Geometric Controls

The requirements of Section 11-03, Elements of Design, shall be enforced.

ALASKA DOT & PE PRECONSTRUCTION MANUAL

Chapter 11 - Design

January 1990

Non-Contiguous Rural Collectors

Sec: 11-20

11-20.02.08 Section Geometry

The requirements of Section 11-04, *Cross Sections*, shall be enforced with the following modifications;

Fill slopes should conform to Figure 11-04(6) where embankment materials are convenient to the project. Where cost of materials are significant then a cost effective analysis may be used to establish slopes steeper than shown in Figure 11-04(6)

Cut fore slopes may be equal to or flatter than minimum fill height slopes.

11-20.02.09 Intersection Sight Distance

Intersection sight distances shall conform to those shown in Figure 11-09.25(01).

11-20.02.10 Traffic Control

Traffic control methods and devices shall conform to the requirements of the Alaska Traffic Manual.

TRAVELED WAY AND SHOULDER WIDTHS

Width (ft.) for Design Volume

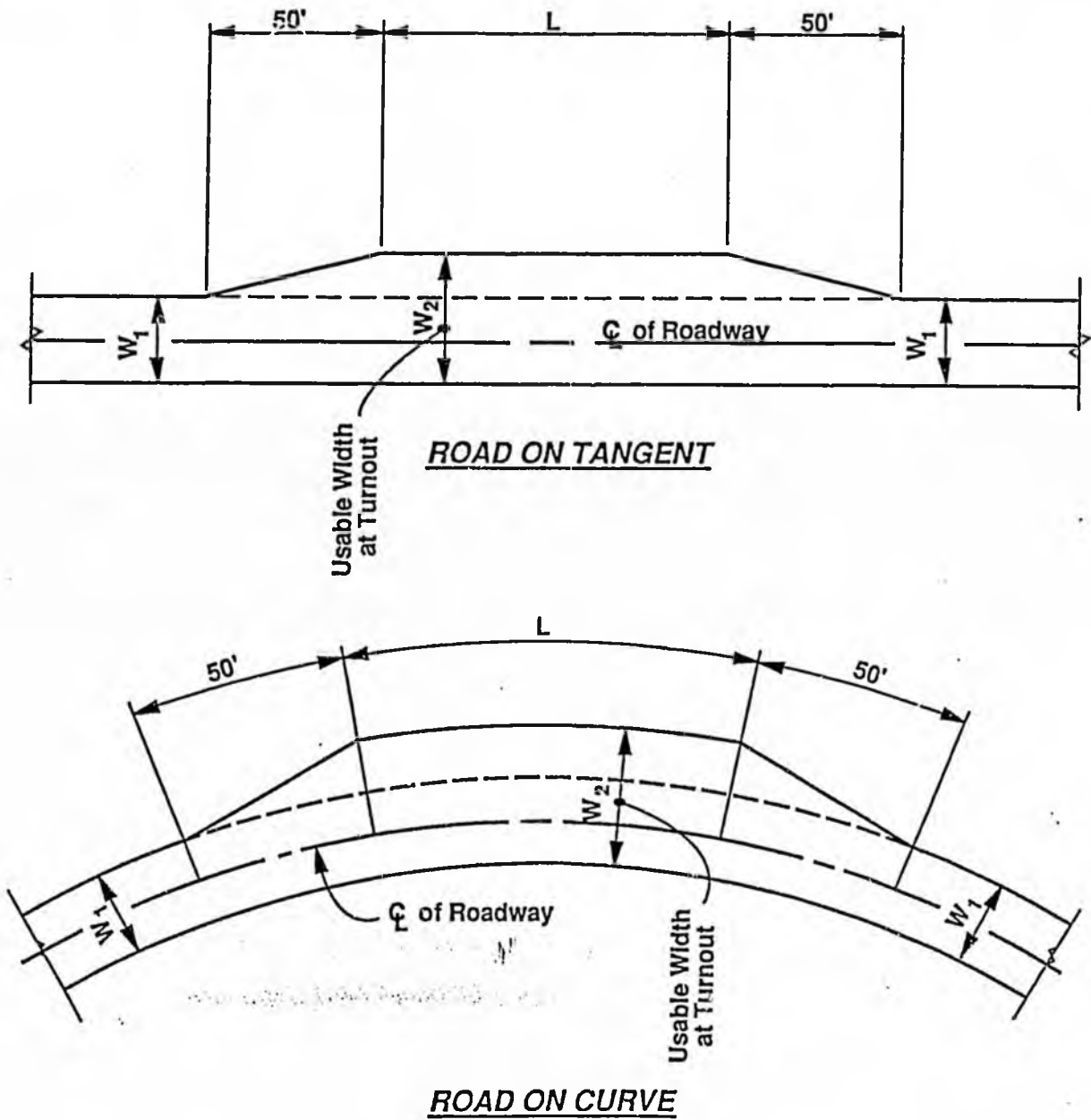
Design Speed (mph)	Design ADT Less than 100 (1)	Design ADT 100- 250	Design ADT 250-400
20	16	18	20
30	18	18	20
40	20	20	20

Width of Graded Shoulder (Each Side) (2)

All Speeds	2'	2'	2'
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- 1) For ADT's less than 100 a two directional one lane road may be used. Turnouts, that are visible to each other, shall be provided at minimum 1,000 ft. intervals and at all curves where stopping sight distance is below minimums. The minimum total width shall be 12-ft. and the maximum shall 14-ft.
- 2) In most cases guardrail requires an additional 2-ft. graded shoulder.

Table 11-20(1)



W_1	L	W_2
12'	100'	22'
14'	100'	24'

TURNOUTS for TWO DIRECTIONAL ONE LANE ROADS

2 Change Title to: Requesting the establishment of policies,
3 procedures and standards for the construction
4 of rural roads.

5 Change Resolve to Read:

6 BE IT RESOLVED that the Alaska State Legislature respectfully
7 requests the Department of Transportation and Public Facilities to
8 establish policies, procedures and standards of construction and
9 maintenance, for rural roads, including pioneer roads, seasonal
10 roads, ice roads, or trails.

6-2076E
Bannister
3/1/90

Original sponsor(s): SEN. COGHILL

1 IN THE SENATE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 47 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Requesting the establishment of pol-
6 icies, procedures, and standards for the
7 construction and maintenance of rural
8 roads.

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

10 WHEREAS a network of roads does not exist in rural Alaska; and

11 WHEREAS many communities in the state need to be connected with neigh-
12 boring cities; and

13 WHEREAS several cities in rural Alaska would like to be connected to
14 the existing road systems near the cities; and

15 WHEREAS a seasonal road system would provide an alternate means of
16 moving freight to communities in rural Alaska; and

17 WHEREAS a road system, even though seasonal and minimal, would con-
18 tribute to the reduction of the cost of living in many rural areas of the
19 state; and

20 WHEREAS a pioneer road system would be the basis upon which a future,
21 more permanent road system, could be established; and

22 WHEREAS several communities in the state would be willing to assume
23 the responsibility of developing and maintaining a segment of a minimum-
24 standard road if they were to receive encouragement from the Department of
25 Transportation and Public Facilities; and

26 WHEREAS the present criteria in the Department of Transportation and
27 Public Facilities for road construction and maintenance are not conducive
28 to development of a low-cost, seasonal road; and

29 WHEREAS a seasonal road system would promote development of, and give

1 access to, the state's natural resources; and

2 WHEREAS a pioneer road would allow safe and economical transportation
3 of hazardous materials, including fuels and explosives; and

4 WHEREAS a pioneer road would provide an alternate means for convenient
5 personal transportation that is not subject to air schedules; and

6 WHEREAS a pioneer road would make it possible to better utilize the
7 vehicles owned by rural residents because it would make travel outside the
8 immediate community more practical;

9 BE IT RESOLVED that the Alaska State Legislature respectfully requests
10 the Department of Transportation and Public Facilities to establish pol-
11 icies, procedures, and standards of construction and maintenance for rural
12 roads, including pioneer roads, seasonal roads, ice roads, and trails.

13 COPIES of this resolution shall be sent to the Honorable Mark S.
14 Hickey, commissioner of transportation and public facilities; the Honorable
15 Lennie Gorsuch, commissioner of natural resources; and to the Honorable Don
16 W. Collinsworth, commissioner of fish and game.

City of Bettles

Box 26023
Bettles, Alaska 99726
907-692-5191

Feb. 15, 1990

Senator Jack Coghill
P.O. Box V
Juneau, Ak. 99811

Dear Jack:

The City of Bettles heartily supports Senate Concurrent Resolution Number 47.

The State of Alaska needs to assume a more active role in the development of a Statewide road system.

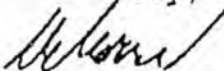
As you know, Alaska has become moribund in developing itself as a cohesive state and a significant beginning would be a pioneering quality road system which could evolve into a primary highway network.

Your proposed Resolution #47 directs DOT/PF's attention to an important Statewide need.

Let's continue to monitor DOT/PF after your resolution is presented to make sure they take it seriously.

Your work in Juneau is much appreciated by the City of Bettles.

Sincerely,


Neil Morris
Mayor

cc: Senator Binkley
Jones
Uehling
Zharoff
Representative Hoffinan
Swackhammer
Wallis
Adams
Commissioner Hickey
Fairbanks Chamber of Commerce

Bettles - Position + Resolution

City of Bettles

Box 26023
Bettles, Alaska 99726
907-692-5191

Jan. 25, 1990

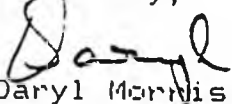
Senator Jack Coghill
P.O. Box V
Juneau, Ak. 99811

Dear Jack:

Bob Thomas of Thomas Engineering in Fairbanks would like to help draft some legislation that would fulfill the needs of this resolution.

We sure need something within D.O.T. that would establish guidelines which would allow affordable road construction in rural Alaska.

Sincerely,


Daryl Morris
Vice Mayor

encl: Res. 90-7

Gateway to the Arctic

City of Bettles

Box 26023
Bettles, Alaska 99726
907-692-5191

CITY OF BETTLES, ALASKA

RESOLUTION NUMBER 90-7

A RESOLUTION to establish within the State of Alaska, Department of Transportation, standards for a "Pioneering quality" road system.

WHEREAS, no network of roads exists in rural Alaska, and

WHEREAS, many Alaskan communities have a great need to become connected with neighboring cities, and

WHEREAS, several Alaskan cities in rural Alaska have the desire to become connected to nearby road systems that now exist, and

WHEREAS, a seasonal road system would provide an alternative means of moving freight to rural Alaskan communities, and

WHEREAS, a road system, though seasonal and minimal, would contribute to the reduction of the cost of living in many Alaskan areas, and

WHEREAS, a pioneering quality road system would be the basis upon which a future, more permanent system, could be established, and

WHEREAS, several Alaskan communities would assume the responsibility of developing and maintaining a segment of minimal standard road if they were to receive encouragement from DOT/PF, and

WHEREAS, the present criteria in DOT/PF for road construction and maintenance is not conducive to low cost, seasonal road development, and

WHEREAS, a seasonal road system would promote development of, and give access to, Alaska's natural resources, and

WHEREAS, a pioneering quality road would allow safe and economical transporting of hazardous materials such as fuels and explosives, and

Gateway to the Arctic

CITY OF BETTLES, ALASKA
RESOLUTION NUMBER 90-7
Page 2

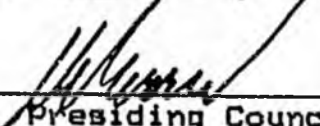
WHEREAS, a pioneering quality road would provide alternative means for convenient personnel transportation that is not subject to air schedules, and

WHEREAS, a pioneering quality road would make it possible to better utilize vehicles already owned as travel outside the immediate community would be practical, therefore,

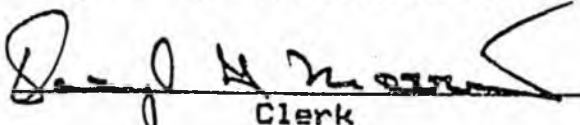
BE IT RESOLVED: that there be established within DOT/PF standards and policies for pioneering quality road construction and maintenance.

PASSED and APPROVED by a duly constituted quorum of the BETTLES CITY COUNCIL.

this 20TH day of JAN, 1990.



Presiding Councilman



Clerk

**STATE OF ALASKA
1990 LEGISLATIVE SESSION**

BILL VERSION : SCR 47
PUBLISH DATE : _____

FISCAL NOTE

REQUEST:

Revision Date: 13-Feb-90 Agency Affected: Natural Resources
Title: Relating to construction of BRU: Management & Administration
a rural road system.
Sponsor: Coghill Components: Commissioner's Office
Requestor: Transportation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Larry Ostrovsky Phone: 465-2400
Division: Commissioner's Office Date: 13-Feb-90
Approved by Commissioner: Lennie Gorsuch Date: 13-Feb-90
Agency: Department of Natural Resources

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

DNR Fiscal Note

S J R

15

SENATE COMMITTEE REPORT

FURTHER

2/3/89

DATE TURNED INTO OFFICE 2-7-89

Mr. President:

TRANSPORTATION Committee considered SJR 15

Promotion of international tourism and the international movement of cargo through the Alaska International Airport System.

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS SJR 15 (ITT)) new title
- attached amendment(s) and technical title change (HB only)
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero fiscal impact appropriation no FN
 new updated previous
 same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures: Paul Gruber, Paul Gruber, Pat Faurot, Delye Labrenkamp]

[Handwritten signature: Roy Jones (Do Pass)]
 Chairman signature and recommendation

Committee Backup attached

Original sponsors: Uehling, Pearce,
Szymanski, et al.

1 IN THE SENATE

BY THE SENATE SPECIAL COMMITTEE ON
INTERNATIONAL TRADE AND TOURISM

2 CS FOR SENATE JOINT RESOLUTION NO. 15 (ITT)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Supporting bilateral aviation agreements
6 to better promote international tourism
7 and the movement of cargo through the
8 Alaska International Airport System.

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

10 WHEREAS the international movement of cargo and passengers along air
11 routes available for service by Alaska airports is increasing and will
12 continue to increase over the foreseeable future; and

13 WHEREAS Alaska, with its unique geopolitical position is a national
14 resource with an inimitable opportunity to service intercontinental, inter-
15 national, and domestic flights; and

16 WHEREAS Alaska's airports have developed world-class facilities for
17 the smooth, efficient, and cost-effective handling of tremendous volumes of
18 international passenger and cargo traffic; and

19 WHEREAS more than 1,700,000 passengers and 7,100,000,000 pounds of
20 cargo flying between Europe and Asia traveled through the Alaska Inter-
21 national Airport System in 1988; and

22 WHEREAS Alaska's efforts to attract international visitors are greatly
23 hampered by unnecessary limitations on landing rights, visas, and interna-
24 tional carriers flying domestic routes; and

25 WHEREAS an aviation bilateral committee has been established in the
26 Alaska Department of Transportation and Public Facilities to coordinate
27 state action in support of efforts to expand international visitation and
28 use of the Alaska International Airport System; and

29 WHEREAS the United States is currently involved in negotiations to
S

1 secure new bilateral aviation agreements with countries likely to pursue
2 air travel opportunities in Alaska if allowed; and

3 WHEREAS the United States government is currently working to establish
4 a more positive international air travel system that is likely to benefit
5 Alaska; and

6 WHEREAS technological developments, including production of the Boeing
7 747-400, make transpolar travel possible without refueling stopovers in
8 Alaska; and

9 WHEREAS these technological developments may have negative effects on
10 Alaska's ability to directly serve international markets;

11 RE IT RESOLVED that the Alaska State Legislature strongly encourages
12 the United States Department of State and Department of Transportation to
13 continue to support Alaska's efforts to address the opportunities existing
14 in the international air travel market through the ongoing bilateral
15 aviation agreement negotiations; and be it

16 FURTHER RESOLVED that the Alaska State Legislature strongly urges the
17 Governor to continue to ensure that all departments of state government
18 work cooperatively to advance Alaska's interests in international aviation
19 bilateral agreements.

20 COPIES of this resolution shall be sent to James A. Baker, III, Secre-
21 tary of State; Samuel K. Skinner, Secretary of Transportation; and to the
22 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
23 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
24 tion in Congress.

1 IN THE SENATE

BY UEHLING, PEARCE,
SZYMANSKI, STURGULEWSKI,
KELLY, FRANK, *Fahmke*

2 SENATE JOINT RESOLUTION NO. 15

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

*Put Fah
on Blue
Back*

5 Relating to the promotion of interna-
6 tional tourism and the international
7 movement of cargo through the Alaska
8 International Airport System.

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

10 WHEREAS the international movement of cargo and passengers in markets
11 directly served by Alaska is increasing and will continue to increase over
12 the foreseeable future; and

13 WHEREAS Alaska, with its matchless geographical position represents a
14 unique national asset and has an inimitable opportunity to service inter-
15 continental, international, and domestic flight service; and

16 WHEREAS Alaska's efforts to attract international visitors are greatly
17 hampered by unnecessary limitations on landing rights, visas, and interna-
18 tional carriers flying domestic routes; and

19 WHEREAS the United States Department of State has demonstrated a
20 willingness to support Alaska's efforts to attract additional international
21 visitors and air traffic through enhanced attention to Alaska in the most
22 recent United States bilateral aviation agreement proposal; and

23 WHEREAS Alaska's airports have developed world-class facilities for
24 the smooth, efficient, and cost-effective handling of tremendous volumes of
25 international passenger and cargo traffic; and

26 WHEREAS technological developments, including the new Boeing 747-400,
27 may make transpolar travel possible without refueling stopovers in Alaska,
28 so that it is crucial that the United States make it advantageous for
29 international air carriers to use Alaska's airports to the greatest extent

1 possible for passenger and cargo operations; and

2 WHEREAS more than 4,400,000 passengers and 7,100,000 pounds of cargo
3 flying between Europe and Asia traveled through the Alaska International
4 Airport System in 1988; and

5 WHEREAS an aviation bilateral committee has been established in the
6 Alaska Department of Transportation and Public Facilities to coordinate
7 state action in support of efforts to expand international visitation and
8 use of the state's international airport system; and

9 WHEREAS the United States is currently involved in bilateral aviation
10 negotiations with countries likely to pursue air travel opportunities in
11 Alaska if allowed;

12 BE IT RESOLVED that the Alaska State Legislature strongly encourages
13 the United States Department of State to continue its ongoing efforts to
14 address the opportunities and inequities existing in the international air
15 travel market through bilateral aviation agreement negotiations.

16 COPIES of this resolution shall be sent to James A. Baker, III, Secre-
17 tary of State; and to the Honorable Ted Stevens and the Honorable Frank
18 Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative,
19 members of the Alaska delegation in Congress.

Senator Rick Uehling

Downtown, Elmendorf, Northeast Anchorage



MEMORANDUM

Co-Chairman, Senate Finance Committee
International Trade & Tourism Committee
State Affairs Committee

To: Senator Lloyd Jones
Chairman, Senate Transportation

From: Senator Rick Uehling
Co-Chairman, Senate Finance *R. Uehling*

Subject: CSSJR 15, relating to the support of bilateral
aviation agreements, et. al.

Date: February 2, 1989

I would appreciate your scheduling CSSJR 15 (SITT) for a hearing before the Senate Transportation Committee at the earliest possible time next week.

This resolution will have the effect of expressing legislative support for the ongoing state and federal effort to secure advantageous arrangements for Alaska's International Airports in international bilateral aviation agreements.

I have enclosed backup materials for CSSJR 15 (SITT) for your committee files. Please call my office if there is additional information I can provide for you.

Thank you for your consideration.

RU/ma

attachments

Attachments:

- A. Description of Economic Impacts if Threatened Transpolar Overflights Take Place
 - Letter to Alaska International Airport Tourism Marketing Council
- B. Statistics Illustrating the Movement of Cargo Through the Alaska International Airport System
 - Anchorage International Airport
 - Fairbanks International Airport
- C. Polar Projection of Alaska's Location Relative to Other International Air Centers
- D. Description of Purpose and Structure of Alaska's Aviation Bilateral Committee (ABC)
- E. Summary of Recent Events Involving Bilateral Aviation Agreement Negotiations
 - Memo from Gina Marie Lindsey to Commissioner Hickey

Mr. Walter Hickel, Jr.
President
Alaska International Airport
Tourism Marketing Council
P.O. Box 104979
Anchorage, Alaska 99510

January 13, 1989

Dear Mr. Hickel,

The economic impact to the Alaska International Airport System and to the total economy of the State of Alaska due to the so-called "overflights" of our airports is great. The opening of Soviet airspace to Europe/Asia flights has negatively impacted the operations of the Alaskan airports. The planned operation by many major international carriers of new long-range aircraft such as the Boeing 747-400 series would most definitely mean fewer flights transitting Alaska as well.

Two international passenger carriers that are among the heaviest users of Anchorage International Airport, Japan Airlines and Lufthansa, have announced future plans for their Anchorage stations. Lufthansa will be eliminating passenger service through Anchorage in the summer of 1989. Anchorage's largest air carrier, JAL, has announced plans to reduce their passenger flights down to 4 a week by 1991, from the current 17 flights per week.

We calculate the loss to the State's economy caused by the elimination of these carrier's flights alone to equal approximately \$136,960,000 per year by 1991. This estimate includes the following components:

-AIAS Revenues		\$ 10,700,000
-Operations	\$2,900,000	
-Concession	7,800,000	
-State of Alaska General Fund		1,500,000
-Gasoline Tax	1,500,000	
-Non-Airport Revenue Losses		124,760,000
-concession	77,160,000	
-indirect impact	47,600,000	

		\$136,960,000 per year
		=====

Attached are the computations that support this estimate. These figures represent only the announced flight losses of two major international carriers and add up to a loss of about thirty percent of our international passenger flights.

The overflight plans of Air France, British Airways, China Airlines, Iberia Airlines, KLM, Korean Airlines, Sabena, Scandinavian Air Systems, and Swissair are not known at this time. The \$140,000,000 amount quoted above therefore represents what we believe to be the most conservative estimate of the possible negative effects to the economy and to AIAS and State General Fund revenues. A doubling of overflight losses to sixty percent of our current international flights is possible and would mean a loss to the state economy of approximately \$280,000,000 per year, \$20,000,000 loss of AIAS revenues, and \$3,000,000 in State General Fund revenues.

International airline and concession fees constitute fully sixty percent of the revenues of the International Airport System. The direct and indirect contributions of the international carriers keep costs down for all other operators, whether it be domestic airlines with flights to and from the Lower 48, commuter carriers, or businesses and individuals that lease tie-down spaces for small aircraft. It is therefore important to many Alaskans in Anchorage, Fairbanks and throughout the state that international flights through our airports continue at as high a level as possible.

As you are well aware, major airport marketing efforts began in earnest in November of 1987. While the Department of Transportation and Public Facilities has professionally managed and expanded the Anchorage and Fairbanks International Airports for many years, until last year there were no concerted efforts to market the airports. When the AIAS development team was created in November, 1987 we immediately did an analysis of the resources and strengths of the System. Two major directions for development seemed best to pursue: increased hub operations for international air cargo and international destination tourism. Alaska's major strength is its strategic location which means our major growth potential is in international markets.

With the Federal Express facility well under construction and cargo activity growing quickly, successful attainment of our first goal seems quite probable even in the short term. International destination tourism, however, remains a much more elusive target.

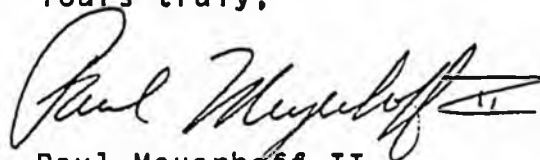
At an Anchorage Convention and Visitors Bureau event in Anchorage during the early summer of 1988, Governor Cowper announced a major new initiative to promote international tourism. The Governor's "Japanese Tourism Initiative" contains three major components: Increased development of Alaska visitor destinations, acquiring blocks of Alaska Destination airline seats, and increased promotion in Japan for Alaska travel opportunities. The Airport System heartily endorses the Governor's plan. We feel that successful completion of the plan is one of the keys to keeping a high level of international flights into our state.

While the Airport System continues to pursue the goal of attaining blocks of Alaska destination airline seats, we do not feel we should have a direct role in the development of Alaska destinations or in the promotion of Alaska travel opportunities. AIAS did fund \$140,000 in Japanese promotional efforts out of the FY88 AIAS Marketing monies, but we saw, and continue to see, our involvement as only a means to get tourism marketing efforts quickly expanded in Japan. We feel the Division of Tourism is the appropriate state agency to be in charge of this effort.

We wholeheartedly endorse your group's efforts to promote international destination tourism in Alaska. We understand quite clearly that failure to develop this relatively untapped market could mean a major drop in revenues to AIAS and the State General Fund and a catastrophic drop in economic activity within our state. Increased funding and focused planning for international tourism promotion is a move critical to retaining international passenger flights.

Please let us know what we can do to continue to assist you in your efforts.

Yours truly,



Paul Meyerhoff II
Executive Director

cc: D. Randy Simmons, DOT&PF Deputy Commissioner
Marketing Advisory Committee

ECONOMIC IMPACT OF OVERFLIGHTS
=====

I. LATEST ANNOUNCED AIRLINE OVERFLIGHT PLANS

A. Japan Airlines

Latest JAL plan shows flights through Anchorage will decrease from the current 17 round trip flights per week to 4 round trip flights per week in 1991

Result: A loss of 13 round trips per week or 1,352 flights per year.

B. Lufthansa

Planned complete elimination of passenger flights through Anchorage starting in July 1989. Lufthansa had 577 flights during FY1988.

Result: A loss of 577 flights per year.

C. Total Announced Overflight Plans

Japan Airlines	1,352 flights per year
Lufthansa	577 flights per year

	1,929 total flights per year

D. Announced Overflights as a Percentage of Existing International Passenger Flights

Announced Overflights	1,929
divided by:	
Total FY88 Flights (est.)	5,900
= 33% total loss of flights	

II. AVERAGE DIRECT REVENUE TO AIAS AND STATE PER FLIGHT
 -typical landing of B747-200
 -international passenger flight

Landing Fee:	775,000 lbs.	(\$.72/1000 lbs.)	=	\$	558.00
Fuel Flowage:	32,000 gal.	(\$.02/gal.)	=		640.00
State Oil Tax:	32,000 gal.	(\$.025/gal.)	=		800.00
Docking Fee:					287.00
Federal Inspection Service Fee:					20.00

average total revenues per landing \$2,305.00
 =====

A. Direct AIAS Fees

Landing Fee \$	558.00
Fuel Flowage	640.00
Docking Fee	287.00
F.I.S. Fee	20.00

\$1,505.00/flight x 1929 flights = \$2,903,145
 =====

or approximate total estimated losses of \$2,900,000.
 =====

B. State General Fund

State Oil Tax \$800.00/flight x 1929 flights = \$1,543,200
 =====

or approximate total estimated losses of \$1,500,000.
 =====

III. CONCESSION REVENUES TO AIAS PER FLIGHT
 -Duty Free shop, restaurants, currency exchange

A. Total FY88 North Terminal (International) Concession Revenues (to AIAS)

Marriott:	\$	185,000.00
Forex:		79,217.44
Duty Free:		17,000,786.00
Alaskana:		135,541.61
David Green:		645,558.76
Meat & Seafood:		1,156,972.41

\$19,203,074.00

=====

B. Average Concession Revenues to AIAS Per Flight

\$19,203,074.00
divided by 5,900 (est.) FY88 Flights
= \$3,254.75 per flight

C. Estimated Losses to Concession Revenues to AIAS From
Announced International Passenger Flight Losses

\$3,254.75/flight x 1,929 flights = \$6,278,412.70

NOTE: The flights that are starting to "overfly"
Anchorage primarily have Japanese travellers on board.
Since the average Japanese traveller spends
considerably more money at duty free shops world-wide
than travellers from other countries, we have added a 25%
factor above the \$6,278,412.70 figure to reflect the fact
that many of the duty free shop's "best" customers are
now starting to "overfly" Alaska.

\$6,278,412.70 x 1.25 ("Japanese Factor") = \$7,848,015.80
or approximate total losses of \$7,800,000.

=====

IV. AVERAGE REVENUES TO AIRPORT OPERATORS PER
INTERNATIONAL PASSENGER FLIGHT

A. These figures include revenues from the following
organizations:

-duty free shops, restaurants, flight kitchens, ground
handlers and airlines (fuel purchases, crew hotel and
transportation costs, salaries and overhead for
staffs, etc.)

B. Previous analysis has shown these costs to be
approximately \$40,000/flight.

=====

C. Estimated direct losses to the Alaskan economy from
the loss of these international passenger flights:

\$40,000/flight x 1,929 flights = \$77,160,000 less of
airport operators' revenues.

D. Estimated indirect losses to the Alaskan economy from the loss of these airport operator revenues:

NOTE: To determine the indirect impact of the \$77,160,000 direct impact, we used a RIMS II Multiplier of .6174.

\$77,160,000 (direct) x .6174 (multiplier) = \$47,638,584
=====

or approximately \$47,600,000.
=====

E. Estimated total losses to the Alaskan economy from the loss of these airport operator revenues:

Direct Losses	\$ 77,160,000	
Indirect Losses	47,600,000	

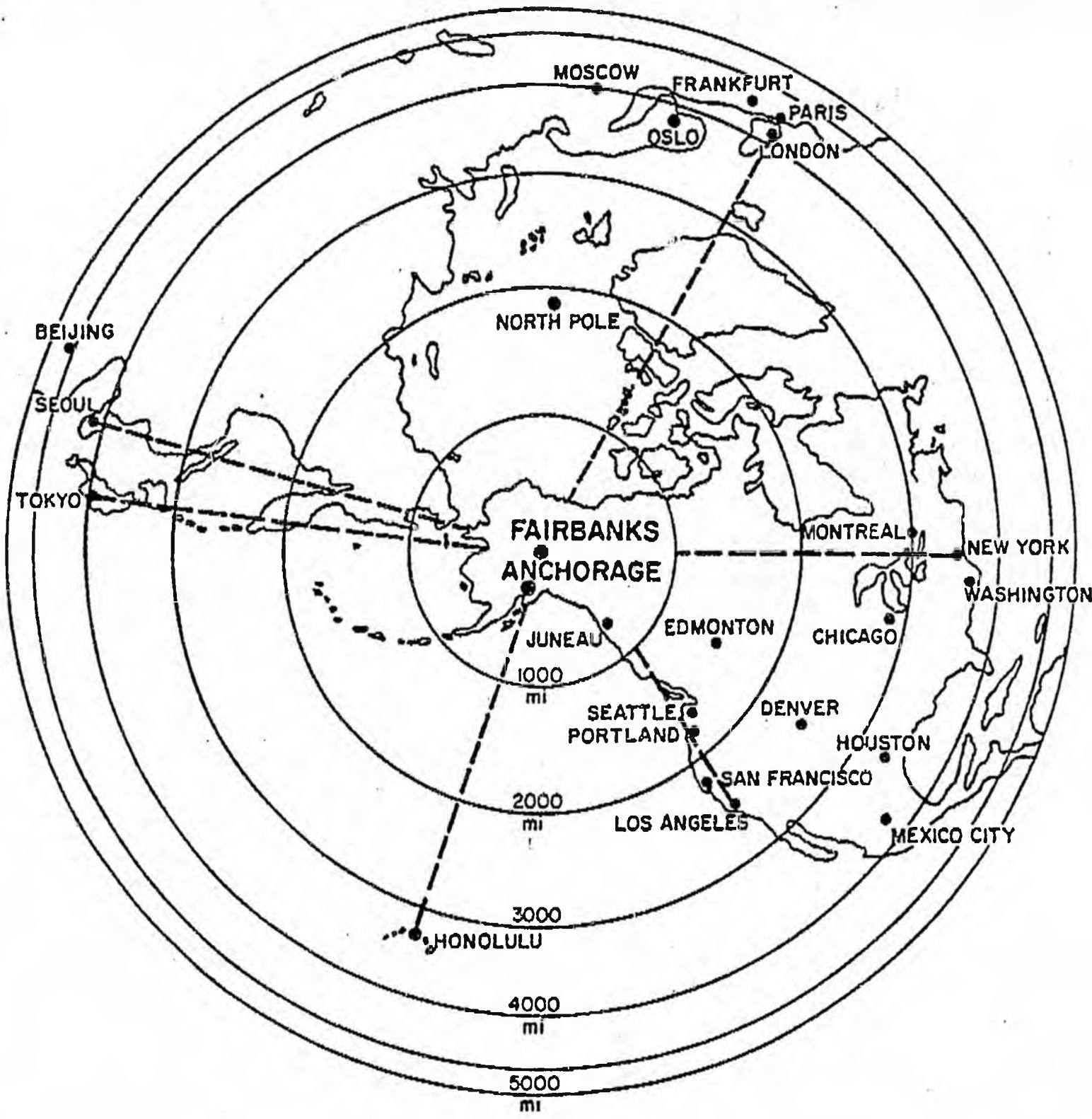
	\$124,760,000	
	=====	

V. LOSS TO THE STATE'S ECONOMY

We calculate the loss to the State's economy caused by the elimination of these carrier's flights alone to equal approximately \$140,000,000 per year by 1991. This estimate includes the following components (rounded off):

-AIAS Revenues		\$ 10,700,000
-Operations	\$2,900,000	
-Concession	7,800,000	
-State of Alaska General Fund		1,500,000
-Gasoline Tax	1,500,000	
-Non-Airport Revenue Losses		124,760,000
-concession	77,160,000	
-indirect impact	47,600,000	

		\$136,960,000 per year
		=====



GLOBAL PROJECTION CENTERED ON ANCHORAGE AND FAIRBANKS ALASKA

FISCAL YEAR

P. 2
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 B

Year	Passengers In	Passengers Out	Total In - Out Passengers	Through Passengers	Total All Passengers	Freight In (lbs.)	Freight Out (lbs.)	Total Freight (lbs.)	Revenue Landing	Jets
1957 thru 1964	952,539	1,000,576	1,953,115	574,487	2,527,602	120,260,537	224,141,581	344,402,118	76,250	
1965	189,451	195,335	384,786	152,003	536,789	20,627,935	32,097,259	52,725,194	10,349	4,145
1966	213,380	219,047	432,427	216,648	649,075	20,762,213	37,394,229	58,156,442	11,584	4,721
1967	268,557	269,459	538,016	414,809	952,825	22,400,979	49,776,762	72,177,741	15,783	7,590
1968	331,726	357,516	689,242	418,732	1,107,974	25,980,908	75,573,582	101,554,490	18,892	9,992
1969	391,050	424,314	815,364	648,821	1,464,185	30,526,580	50,137,204	80,663,784	23,099	15,135
1970	426,248	433,163	859,411	807,722	1,667,133	32,241,373	60,865,051	93,106,424	25,104	18,070
1971	413,735	420,249	833,984	778,211	1,612,195	36,618,783	60,493,202	97,111,985	23,307	17,825
1972	451,455	461,777	913,232	654,681	1,567,913	44,026,537	65,937,427	109,963,964	27,596	20,875
1973	478,895	488,624	967,519	633,111	1,600,630	39,638,120	70,230,262	109,868,382	26,201	19,006
1974	540,877	551,947	1,092,824	796,045	1,888,869	60,786,732	83,642,968	144,429,700	27,939	19,397
1975	700,161	712,433	1,412,594	880,472	2,293,066	90,331,365	111,884,498	202,215,863	34,607	22,799
1976	857,162	870,024	1,727,186	804,762	2,611,948	106,702,662	155,280,054	261,982,716	38,448	25,528
1977	945,048	962,392	1,907,440	936,032	2,843,472	94,276,412	162,304,099	256,580,511	42,945	24,791
1978	955,628	979,636	1,935,264	976,059	2,911,323	99,358,565	162,669,378	262,027,943	47,350	26,150
1979	995,780	1,018,568	2,014,348	1,166,400	3,180,748	103,589,738	155,885,827	259,475,565	47,413	26,046
1980	990,517	1,007,535	1,998,052	1,267,474	3,265,526	95,800,920	157,068,269	252,869,189	44,782	25,388
1981	1,059,823	1,073,088	2,132,911	1,456,894	3,589,805	119,343,401	186,479,723	305,823,124	51,230	26,392
1982	1,165,305	1,177,717	2,343,022	1,503,206	3,846,228	118,323,615	181,394,276	299,717,891	57,311	31,326
1983	1,263,720	1,295,433	2,579,153	1,425,082	4,004,235	130,138,571	191,784,538	321,923,109	62,300	32,115
1984	1,328,793	1,335,646	2,664,439	1,372,679	4,037,118	134,684,627	187,725,215	322,409,842	71,785	36,797
1985	1,467,831	1,471,494	2,939,325	1,561,172	4,500,497	140,821,197	198,091,335	338,912,532	76,404	38,793
1986	1,491,413	1,507,603	2,999,016	1,634,829	4,633,845	117,496,348	182,887,953	300,384,301	72,034	37,556
1987	1,369,793	1,359,127	2,728,920	1,627,554	4,356,474	106,525,079	178,377,886	284,902,965	73,846	40,547
1988	1,349,644	1,371,500	2,721,144	1,706,831	4,427,975	116,067,500	192,277,003	308,344,503	74,715	41,002

FAIRBANKS INTERNATIONAL AIRPORT
CALENDAR YEAR STATISTICS

Year	Passengers **			Freight **			Revenue	
	In	Out	Total	In	Out	Total	Landings	Jet Landings
1957	41,750	45,828	87,578	5,962,499	13,600,413	19,642,903	5,241	
1958	42,754	42,569	85,323	5,558,924	12,406,376	17,965,300	4,641	
1959	47,436	50,601	98,037	7,050,789	20,456,903	27,507,692	5,913	
1960	53,783	57,566	111,349	7,204,129	20,046,607	27,250,736	6,117	
1961	73,818	67,767	141,585	8,135,523	20,452,163	28,587,686	6,278	
1962	60,541	61,589	122,130	7,266,690	17,545,453	24,812,143	5,036	
1963	62,724	65,923	128,647	8,164,022	19,928,034	28,092,056	4,810	
1964	67,917	68,961	136,878	10,738,365	20,191,226	30,929,589	4,344	397
1965	73,108	72,011	145,119	10,597,086	18,920,292	29,517,378	3,352	362
1966	76,358	75,240	151,598	11,282,908	22,365,840	33,648,748	3,812	463
1967	97,530	99,952	197,482	12,823,370	17,846,366	30,669,736	4,984	1,027
1968	116,504	119,473	235,977	12,830,701	27,638,998	40,469,699	8,338	1,050
1969	157,345	157,710	315,055	25,336,566	215,106,073	240,522,639	22,663	3,796
1970	154,964	168,031	322,995	28,068,790	92,606,296	121,555,086	14,841	4,956
1971	137,277	142,695	279,972	25,741,056	92,575,093	118,316,949	10,886	5,072
1972	150,507	149,691	299,998	32,818,688	80,352,479	113,171,167	9,145	4,459
1973	139,781	142,073	281,854	26,319,584	67,529,036	93,848,620	8,189	4,157
1974	206,696	231,978	438,674	45,880,230	365,369,760	411,249,990	25,416	5,159
1975	320,315	323,270	643,585	47,931,240	312,473,064	360,404,304	25,990	7,047
1976	360,547	365,223	725,770	41,092,500	144,447,309	185,539,809	20,618	6,787
1977	280,166	276,157	556,323	38,688,440	114,166,044	152,854,484	16,282	5,503
1978	246,262	256,861	503,123	40,106,231	116,302,402	156,408,715	13,443	5,507
1979	227,372	225,206	452,578	24,901,590	95,412,195	120,313,785	13,148	7,003
1980	221,194	226,291	447,485	26,771,439	105,136,580	131,908,019	14,345	7,899
1981	249,832	249,101	498,933	35,630,135	116,067,656	151,697,791	16,172	8,313
1982	285,937	289,711	575,648	29,061,682	81,476,951	110,538,633	15,608	8,589
1983	285,944	287,872	573,816	27,081,372	65,946,339	91,027,711	15,090	8,002
1984	293,367	296,237	589,604	23,475,639	47,252,969	70,728,628	16,061	8,943
1985	274,921	270,826	545,747	14,981,160	36,183,723	51,166,883	14,274	5,941
1986	259,259	255,665	514,924	10,114,119	41,012,765	51,126,884	15,071	6,632
1987	243,207	244,391	487,598	10,244,507	37,524,470	47,768,977	13,744	5,361
1988	251,753	253,956	505,709	14,732,247	40,785,068	55,517,315	15,195	5,905

MEMORANDUM

State of Alaska

TO: Mark Hickey
Commissioner

DATE: December 6, 1988

Randy Simmons
Deputy Commissioner
Budget & Finance

FILE NO: 413C

THRU:

Paul Meyerhoff II
Executive Director
AIAS

TELEPHONE NO: 266-1616

SUBJECT: Trip Report -
Luxembourg & Japan
Bilaterals

FROM: Gina Marie Lindsey
Development Manager
AIAS

I was in Washington D.C. 11/29 - 11/30 to discuss Luxembourg and Japan bilateral aviation negotiations with federal government representatives, Alaska congressional staffers, Cargolux, and their legal representatives. The following is a summary of the meetings Eric Ostrovsky, and I had and an update of the bilateral status relative to Luxembourg, Japan, and Alaska's interests.

LUXEMBOURG:

Eric Ostrovsky and I met with Ted Kronmiller and Steve Lachter of Patton, Boggs & Blow and five Cargolux representatives on Monday. Cargolux currently has five gateways and three frequencies per week approved by the U.S. government through an informal permit -- no formal bilateral. Cargolux wants several additional gateways (possibly Alaska and Huntsville, AL) and additional frequencies (at least one more through Seattle) established in a formal bilateral. They knew negotiations would be tough and were asking for support from Alaska, Huntsville, and Seattle to help DOT and State consider the airport and regional economic benefits accruing to gateways receiving Cargolux service.

Eric and I met subsequently on Monday with DOT (Patrick Murphy, Ed Oppler, and Susan McDermott) and State (Jeff Shane and Michael Goldman). Their position appeared quite fixed against either additional gateways or frequencies essentially because Luxembourg has nothing the U.S. carriers want and, in the face of that, the existing permit is quite liberal. We presented Alaska's interest, discussed the fact that an Alaska gateway is not analogous to lower 48 gateways and should not be assumed to be. By virtue of our strategic position, and lack of major origin-destination market, our opportunities for expanding and diversifying our economy lie in exploiting that geographic location. Major expansion in movement of people and goods will be by air. Alaska must have help from the federal government to assure the overall economic benefits to our area are

considered important when evaluating reciprocal value of aviation bilateral rights -- air carrier benefits are not the only benefits that should be factored into the equation.

On Tuesday we met with Jaimie Boucher (Murkowski), Jeff Smith (Young), and Wally Burnett (Stevens). Jaimie's major concern centered on whether reciprocal rights would be available to U.S. carriers if they wanted to serve Luxembourg and determining if there would be competitive damage to a U.S. carrier by granting the Alaska gateway to Cargolux. We made it clear to all staffers that Cargolux has made no commitment to Alaska. Apparently several calls were made late Tuesday and early Wednesday which had the net effect of "turning up the heat" on DOT and State.

On Wednesday the U.S. offered to substitute Huntsville and Alaska for New York and Houston (2 Cargolux gateways currently not served), but no additional frequencies, refused formal bilateral status but assured permit renewal in two years when it expires (assuming there's no change in company ownership). The Luxembourg government refused this because the gateway substitution was worth nothing without additional frequencies, and the conditional permit renewal was a right they already have. The U.S. discouraged Luxembourg from coming to the table again soon, but Steve Lachter estimates talks to be requested and scheduled in 3-6 months. In the meantime, Eric will stay in contact with Patton, Boggs and Blow. We have indicated a willingness to develop more definitive economic benefits information but need more specific plans from Cargolux in order to do this. My sense is that some quantifiable data will have to be presented before there is much hope of softening the U.S. position.

JAPAN:

While Luxembourg was the most immediate concern, Eric and I spent as much or more time on Japan. The new U.S. proposal modifies the two paragraphs setting parameters for new gateway selection so Alaska could now compete, however, we could never realistically compete successfully with other candidate U.S. gateways.

There is, however, a new paragraph specific to Alaska which allows either country to designate a carrier or carriers to start turnaround Alaska service. There appears to be no practical difference between this and gateway designation except there could be no "beyond" rights in Japan which may limit the growth potential of the route but does not appear critical for our purposes.

The Japanese have agreed to talks December 7-9. Now that the Alaska proposal is in the U.S. platform we must assure it stays there and does not become a "throw-away". Eric will be getting a copy of the U.S. position to the Congressional delegation so they know specifically what to push for should they choose to do so.

The sixth freedom issue could present a bit of a quandary to the State. Apparently Japan has agreed to 3 flights/week for Tigers' sixth freedom cargo. Tigers initially agreed but now says no: they contend they already have unlimited rights so why settle for less than that and then have to trade additional benefits for more sixth freedom frequencies in the future.

The U.S. has not yet responded on Japan's offer of three and is currently determining how to respond. They requested an Alaska position if we have one to share. The dilemma is that while we may agree with Tigers philosophically, rejection of the three frequencies could stall progress on other issues including the potential turnaround passenger right. It is not imperative that we take a position, but if we do it should be soon.

Jeff Shane feels the U.S. proposal is "very heavy" for the Japanese and has no assurances talks will make much progress after the Japanese see it.

/so .

cc: Aviation Bilateral Committee
Chris Birch, Airport Manger, FIA
Paul Meyerhoff II, Executive Director, AIAS
D.C. Ruff, Airport Manager, AIA
Marketing Advisory Committee

ROLES AND RESPONSIBILITIES

For Discussion
Purposes Only

PURPOSE:

The Aviation Bilateral Committee (ABC) has been established as a state policy coordination group with respect to aviation bilateral agreements and negotiations between the U.S. and various foreign governments. State aviation bilateral policy shall be reviewed and discussed by the ABC, and approved by the DOT&PF Commissioner.

MEMBERSHIP:

Commissioner of DOT&PF and/or his designee-
as Chairperson.

Deputy Commissioner, Budget & Finance, DOT&PF

Executive Director - AIAS

Development Manager - AIAS

Commissioner of Commerce and/or his designee.

Governor's Office - Special Counsel State/Federal
Relations.

Director - Office of International Trade

Governor's Office - Special Staff Assistant for
DOT&PF.

ABC ROLES AND RESPONSIBILITIES:

- The committee will review and comment on draft state policy as relates to aviation bilateral agreements and negotiations.
- Evaluate changes and modifications to state aviation bilateral policy.

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

PURPOSE:

The Aviation Bilateral Committee (ABC) has been established as a state policy coordination group with respect to aviation bilateral agreements and negotiations between the U.S. and various foreign governments. State aviation bilateral policy shall be reviewed and discussed by the ABC, and approved by the DOT&PF Commissioner.

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Commissioner of DOT&PF and/or his designee - as Chairperson.

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Development Manager - AIAS

Commissioner of Commerce and/or his designee.

Governor's Office - Special Counsel State/Federal Relations.

Director - Office of International Trade

Governor's Office - Special Staff Assistant for DOT&PF.

ABC ROLES AND RESPONSIBILITIES:

- The committee will review and comment on draft state policy as relates to aviation bilateral agreements and negotiations.
- Evaluate changes and modifications to state aviation bilateral policy.
- Identify changes in existing aviation bilateral agreements necessary to attract and accommodate additional business opportunities to benefit the state.
- Serve as a clearinghouse for information regarding changes
- Draft or review correspondence to appropriate federal officials and Congressional delegation
- Monitor any active aviation bilateral negotiations ABC deems important to the interests of the state
- Maintain contact with appropriate parties in Washington, D.C.
- Advocate state policy, as necessary, in appropriate Congressional, federal agencies, and other forums.

S J R

20

FILE 1

MAR 31 1989

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 31, 1989

SUBJECT: Suggested amendment to CSSJR 20
(Transportation)

TO: Senator Jan Faiks, Chair
Senate Judiciary Committee

FROM: Jack Chenoweth
Legislative Counsel

I've recently had reason to review the file of this joint resolution and want to suggest a change:

Page 1, line 28: Delete "shall" insert "may"

Page 1, line 28: After "legislature" insert "only"

The change would have the last clause of the sentence read:

. . . the principal and income of which may be appropriated by the legislature only for facilities and operations related to transportation and for enforcing laws applicable to transportation facilities and services.

I don't want to hand anyone an argument--and I think that may be what I've done in using "shall"--that a legislature must expend all money that constitutes the balance in the transportation fund. Rather, the change would make clearer that the legislature is free to make appropriations from the fund or to leave some money as a balance in that fund, but that appropriations from the fund made must be expended within the limitations identified in the balance of that sentence.

JBC:kb
wkr3/051

cc: Senator Lloyd Jones, Chair
Senate Transportation Committee

Original sponsor: Transportation Committee

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 CS FOR SENATE JOINT RESOLUTION NO. 20 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Proposing amendments to the Constitution
6 of the State of Alaska creating a dedi-
7 cated fund for projects, facilities, and
8 services related to transportation.

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

10 * Section 1. Article IX, sec. 7, Constitution of the State of Alaska,
11 is repealed and readopted to read:

12 SECTION 7. DEDICATED FUNDS PROHIBITED. The proceeds of any
13 State tax or license shall not be dedicated to any special purpose.
14 This provision shall not prohibit the continuance of any dedication
15 for special purposes existing on April 24, 1956, and shall not pro-
16 hibit the dedication of revenue under Sections 15 and 17 of this
17 article or when required by the federal government for State par-
18 ticipation in federal programs.

19 * Sec. 2. Article IX, Constitution of the State of Alaska, is amended
20 by adding a new section to read:

21 SECTION 17. TRANSPORTATION FUND. Effective July 1, 1991, money
22 derived from State taxes, licenses, and fees related to registration,
23 operation, or use of vehicles, aircraft, watercraft, the Alaska marine
24 highway system, and the use of other State transportation facilities,
25 and from taxes on fuel used for the propulsion of vehicles, aircraft,
26 and watercraft, less refunds and credits as provided by law, shall be
27 placed in a transportation fund, the principal and income of which
28 shall be appropriated by the legislature for facilities and operations
29 related to transportation and for enforcing laws applicable to

1 transportation facilities and services. The provisions of this sec-
2 tion do not apply to a tax, license, or fee levied and collected by
3 the State on behalf of a local government, or to revenue derived from
4 the use or operation of a facility constructed with bond proceeds to
5 the extent that it is necessary to satisfy the debt obligation or to
6 maintain the facility so that the facility continues to generate
7 revenues for that purpose. The legislature shall implement this
8 section.

9 * Sec. 3. The amendments proposed by this resolution shall be placed
10 before the voters of the state at the next general election in conformity
11 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
12 tion laws of the state.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

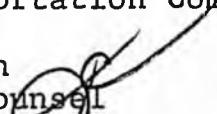
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 6, 1989

SUBJECT: Transportation fund (CSSJR 20) and related
legislation to implement (work order 6-0948A)

TO: Senator Lloyd Jones, Chair
Senate Transportation Committee

FROM: Jack Chenoweth
Legislative Counsel 

Accompanying this memo are copies of CSSJR 20, a constitutional amendment establishing a transportation fund, a dedicated fund, and companion legislation to implement that amendment.

*

To be responsive to the committee's instructions, the proposed in this version amendment is shorter and more general than the last. Specific instructions as to how the revenues would be accounted for, segregated into specific accounts, and expended are omitted.

I set the effective date of the proposed amendment to July 1, 1991, the start of the state fiscal year following the amendment's adoption. If adopted at the general election of November, 1990, and certified in the following month, the delayed effective date--permitted by art. XIII, sec. 1 of the state constitution--would mean no interference with appropriations made in 1990 for FY 1991, and the opportunity for the First Session of the Seventeenth Legislature to make any necessary legislative adjustments attributable to the amendment's adoption before the amendment actually took effect.

*

The companion bill picks up where the amendment leaves off.

Senator Lloyd Jones
Page 2
March 6, 1989

First, it was my understanding from the committee that the legislation should not separately account for and limit expenditures by source and objective, that instead there should be one central transportation fund, and I have drafted accordingly. If the committee wants to revert to the earlier model and provide for as many as four separate funds, or four separate accounts within one fund, and limit expenditures by project or facility objective, the bill can accommodate that change.

In a fairly quick review of existing laws establishing tax, license, and fee sources that would support the fund, I found very few. Those that I did locate are identified in this legislation.

In the accompanying bill, section 3 establishes the special fund and identifies the probable sources of revenues for deposit to the fund [subsection (a)]; addresses how fund balances are to be invested [subsection (b)] and how interest earnings may be treated [subsection (c)]; and the range of permissible expenditures [subsection (d)]. Bill section 6 repeals existing provisions governing disposition of motor fuel tax proceeds, and bill section 5 amends existing AS 43.40.010(e), a section relating to disposition of aviation-related motor fuel tax proceeds, to retain current provisions of sharing revenues with municipalities that operate state airports. (I initially thought that this is the provision that addresses Senator Pourchot's concerns about fuel revenue flow to the Anchorage International Airport but, by its terms, this section does not apply to state-operated aviation facilities.) Bill section 8 ties the effective date of the bill to the related constitutional amendment (i.e. July 1, 1991).

I direct your attention to bill section 4, relating to disposition of proceeds from activities at the Anchorage and Fairbanks International Airports. The amendments made to the section are minimal, but a distinction that is made seems critical. Recall that the constitutional amendment requires deposit into the general fund of "state taxes, licenses, and fees" applicable to the means of transportation. The current arrangement under AS 37.15.430(a) is to direct "fees" from international airport operations into that international airport fund. This redirection of revenue, it seems to me, is pertinent to Senator Pourchot's concerns regarding the income stream to the Anchorage

Senator Lloyd Jones
Page 3
March 6, 1989

International Airport. In this bill, I don't propose to interfere with the current arrangement, nor do I think that a change is required. The constitutional amendment reaches only to "fees related to registration, operation, and use of aircraft," while the current arrangement under the management of the international airport fund is based on "fees . . . derived from [state] ownership, lease, use, and operation of the [international] airports." There is, then, the distinction between the incidence of payment on the means of transportation (covered by the proposed dedicated fund) versus the management and operation of the related transportation facility (omitted from the proposed dedicated fund). Logic further suggests that landing fees and similar charges for state-operated airports would not come within the reach of the proposed constitutional amendment, and by extension fees paid by the public for use of state-operated ports and harbors and other state facilities would also be omitted.

This may not be the conclusion the committee wants to reach. The committee must come to a conclusion as to whether it is a distinction with a substantive difference.

JC:gc
WKG7/101

Enclosure

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 22, 1989

SUBJECT: CSSJR 20 (Transportation) and companion
draft bill

TO: Senator Lloyd Jones, Chair
Senate Transportation Commission

FROM: Jack Chenoweth
Legislative Counsel 

This memo accompanies the redraft of two versions of CSSJR 20 (Transportation) and a companion bill, all of which were reviewed by the committee yesterday. Please note the following changes, based on the testimony of Commissioner Hickey:

To CSSJR 20 (Transportation), versions "E" and "H": In the fourth line of Section 17 of both versions, I have added the change requested "and the use of other state transportation facilities," so that fees levied for the use of state facilities may be captured by the respective fund(s).

To the companion draft bill, 6-0948A: In bill section 3, page 2, following line 18, I have added paragraphs (5) and (6) to address "concession fees" and "fees for the use of state transportation facilities" as additional sources of money for the transportation fund.

While I remain concerned about the relationship between fees for the use of state transportation facilities, especially state toll facilities, the next-to-last sentence of bill section 17 of each version of CSSJR 20 (Transportation) ("or to revenue derived from the use or operation of a facility constructed with bond proceeds to the extent that it is necessary to satisfy the debt obligation") should give priority protection to debt claims based on bond covenants, while providing sufficient latitude for the fund(s) to

Senator Lloyd Jones
Page 2
March 22, 1989

recover any excess or additional revenue generated by the use or operation of the specific facility.

Where necessary, I have made additions to the bill or resolution titles.

JC:gc
WKG8/062

Enclosure

STATE OF ALASKA
THE LEGISLATURE

STATE CAPITOL
U. ALASKA 99811
465-3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 29, 1989

SUBJECT: CSSJR 20 (Transportation), establishing a dedicated transportation fund -- sectional analysis

TO: Senator Lloyd Jones

FROM: Jack Chenoweth
Legislative Counsel 

The joint resolution proposes a constitutional amendment to establish a transportation fund, a dedicated fund, for projects, facilities, and services related to transportation.

Section 1 revises art. IX, sec. 7 of the state constitution, and makes technical amendments to that section by substituting the date "April 24, 1956" for the phrase "date of ratification of this section" and by adding a reference to "section 17" as a second explicit exception (with existing section 15, establishing the permanent fund) to the prohibition against dedicated funds.

Section 2 establishes the transportation fund as a dedicated fund. If adopted, revenue obtained from the following sources after June 30, 1991 (that is, at the start of state fiscal year 1992) is to be placed in the transportation fund:

-- revenue derived from state taxes, licenses, and fees related to registration, operation, and use of (1) vehicles, (2) aircraft, (3) watercraft, (4) the Alaska Marine Highway System, and (5) the use of other state transportation facilities;

-- revenue derived from taxes on motor fuel used for vehicles, aircraft, and watercraft (less refunds and credits against those taxes provided by law).

The principal of and income earned by the transportation fund may be appropriated by the legislature for

Senator Lloyd Jones
Page 2
March 29, 1989

transportation facilities and services and for laws enforcing transportation facilities and services.

There are several specified exceptions applicable to the dedicated handling of revenue relating to the transportation fund. These include:

- proceeds of a tax, license, or fee levied and collected by the state for the benefit of a local government;

- revenue relating to use and operation of a facility whose construction or development is attributable to bonds, to the extent necessary to satisfy the debt obligation and to maintain the facility so that it continues to generate revenues to meet the costs of the bonds.

The legislature is directed to implement the section establishing the dedicated transportation fund.

Section 3 is a standard provision directing submission of the amendments to the voters at the November, 1990, election.

JC:gc
WKG8/091

Original sponsor: Transportation Committee

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 CS FOR SENATE JOINT RESOLUTION NO. 20 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION

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18 ticipation in federal programs.

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11 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
12 tion laws of the state.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800


LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

January 18, 1989

SUBJECT: Authorizing dedication of funds for certain
transportation-related projects
(Work Order No. 6-0463A)

TO: Senator Lloyd Jones, Chair
Senate Transportation Committee
ATTN: Terry Otness

FROM: Jack Chenoweth
Legislative Counsel 

Per request, I've added a reference to "fees" (not "user fees" for reasons I shall note) into section 2 of the draft. For our purposes, I accept that a "fee" is any charge imposed by law, including regulation, for the provision of services by an agency or its employees' services or for the use of a privilege or facility operated by the government. It is in that context that I offer the word.

The suggested change is warranted. Fees are a form of the broader category of "program receipts," that is, of revenue that is generated by program activity. Without belaboring the point, suffice to say that the attorney general has concluded that "program receipts" are subject to the dedicated funds clause of article IX, section 7. If you want to exclude fees from the reach of the clause, there should be a reference to them in the exclusion.

"'User' fee" is, in my judgment, a redundancy. Under the assumption that I make in the first paragraph, only a person who seeks to take advantage of a program, service, or facility--in other words, a prospective user--would in fact pay an applicable fee.

A revised draft, incorporating changes, is enclosed.

JC:gc
WKG5/107

Enclosure

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907 465-3800

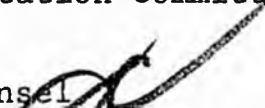
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 25, 1989

SUBJECT: Proposed Senate Joint Resolution to establish certain transportation-related funds and to dedicate the revenues and earnings from specified sources to those funds
(Work Order 6-0463A)

TO: Senator Lloyd Jones, Chair
Senate Transportation Committee

FROM: Jack Chenoweth
Legislative Counsel 

The Transportation Committee's draft joint resolution would establish certain transportation-related funds, dedicate tax and other revenues imposed on or collected from means of transport to the funds established, and direct use of the revenues in the respective funds for projects and improvements that relate to the means of transport.

In the draft previously provided:

Section 1 revises the existing "dedicated funds prohibition" section of the constitution, substitutes "April 24, 1956" for the phrase "upon the date of ratification of this Section by the people of the State of Alaska," and adds the exceptions that allows the transportation-related dedicated funds in article IX, sections 17 and 18.

Proposed article IX, section 17 of section 2 establishes three separate dedicated funds--an airport fund for proceeds from taxes, licenses, and fees on aircraft-related activities; a ports and harbors fund for proceeds from taxes, licenses, and fees on watercraft-related activities; and a highway fund for proceeds from taxes, licenses, and fees on motor vehicles. The section then limits use of the balances in those respective funds to appropriations for (1) administration of the related revenue law; (2) public facility construction, reconstruction, repair, maintenance, and operation (including the payment of debt service) "applicable to the means of transportation to which that fund relates"; and

(3) law enforcement activities relating to the respective means of transportation. The section also specifically allows the highway fund balance to be used to support the Alaska Marine Highway System.

Proposed article IX, section 18 of section 2 establishes a separate Alaska Marine Highway System fund to receive the revenues generated by the systems operations, and to limit use of the balance--based on the revenues earned--for support of the system, as the section specifies.

Section 3 is standard language directing submission of the proposed amendments to the public for ratification.

*

One of the new sections added to the constitution uses the phrase "public facility . . . applicable to the means of transportation to which that fund relates." A determination that use of money in the fund for completion of a "public facility"--indeed, the identification of the object of expenditure as a "public facility"--is a matter for the legislature. That has not been a particularly troublesome point in recent legislation but, for the record, this legislation contemplates a definition of the term "public facility" that is not unlike the term "capital improvement" or "capital project" as defined in AS 37.07.120, the state's Executive Budget Act. To be internally consistent with other references in the state constitution, the committee may want to substitute "capital improvement" or "capital project" for "public facility" in this proposed resolution so that the courts, construing the phrase, will not think that two different meanings were intended. For examples of use, see art. IX, sec. 8; art. IX, sec. 9; art. IX, sec. 16, state constitution. [I do, in fact, encourage the committee to make the change.]

One of the new sections added to the constitution uses the word "proceeds" with reference to taxes, licenses, and fees. This is a deliberate choice, based on the state's experience with collection of taxes and fees. Had the term "revenue" been used, one might have been tempted to read the dedicated fund section, article IX, section 7, to require that all revenue that is received be deposited into the proper fund, without allowance for adjustments or refunds. That would be too harsh a conclusion, and probably unworkable as an administrative matter. "Proceeds" implies a "net revenue"

Senator Lloyd Jones
Page 3
January 25, 1989

concept, allowing the fund administrators some latitude to provide adjustments and refunds, as necessary, within the context of administration of the laws imposing and collecting the taxes, licenses, and fees before making the requisite deposit.

JC:gc
WKG6/042

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

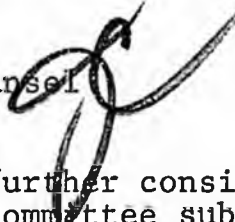
LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 10, 1989

SUBJECT: SJR 20: testimony of Department of Revenue

TO: Senator Lloyd Jones, Chair
Senate Transportation Committee
ATTN: Terry Otness

FROM: Jack Chenoweth
Legislative Counsel 

The committee will doubtless further consider SJR 20, so I will not now prepare a draft committee substitute. I'd like to share a couple thoughts concerning testimony received yesterday.

Royce Weller, representing the Department of Revenue, noted the probable concerns of municipalities that the resolution as drafted would not allow a sharing of motor fuel tax receipts as currently exists under AS 43.40.010(e). May I suggest the following additional language to address that concern:

Page 2, line 5, amend to read:

. . . The legislature may appropriate from a fund established by this section only to pay the cost of administering the law imposing the tax, license, or fee from which the revenue is derived, to pay costs, and to make appropriations to local governments to pay costs, of construction, reconstruction, repair, maintenance, and operation of a capital improvement, including debt service, applicable to the means of transportation to which that fund relates, and to pay expenses of State enforcement of laws applicable to the means of transportation to which that fund relates. . . .

By linking the two provisions in this way, without making an already long sentence too much longer, it should be clear that the state may appropriate to municipalities to do the

Senator Lloyd Jones
Page 2
February 10, 1989

things that the state itself may do with the money, within the same limitations.

Mr. Weller also directed the committee's attention to the interrelationship of this provision to vehicles and aircraft covered under the pipeline property tax (AS 43.56) and the relationship to the vehicles and aircraft that are covered under the corporate income tax. These are, I sense, peripheral concerns. I am reminded that there is a comparable problem with reference to deposits to the Alaska Permanent Fund. Under the applicable constitutional section, there would arise questions as to whether a particular state receipt is or is not a "royalty," for instance, or a "royalty sale proceed." To the extent these permanent fund questions have been answered, they have been answered by law. The same approach may be used to address Mr. Weller's concerns: the legislature may act, by law, to determine what is a vehicle, or aircraft, or watercraft, and to say whether--for instance, with reference to the pipeline property tax imposed on vehicles and aircraft--the income should or should not be deposited into the applicable fund. I think the legislature may do this whether or not it has explicit authority in this section. However, if you want to avoid any doubt on the point, then you might incorporate into proposed article IX, section 17, a final sentence stating that "The legislature shall implement this section." See, in this regard, article I, section 3 (prohibition against denial of civil and political rights); article I, section 22 (definition of the right to privacy).

JC:lmb
L6/012

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 27, 1989

SUBJECT: CSSJR 20 (Transportation)

TO: Senator Lloyd Jones, Chair
Senate Transportation Committee
ATTN: Terry Otness

FROM: Jack Chenoweth
Legislative Counsel

The letter from Gary Lewis expressing concern about the relationship between the proposed amendment and the existing state collected motor vehicle registration fee suggests the need for clarification of the draft. I would suggest these changes:

Page 1, line 27: After "from", insert "state"

Page 2, line 12: After "system." insert --

"The provisions of this section do not apply to a tax, license, or fee levied and collected by the state on behalf of a local government."

*

The objection from the Department of Transportation and Public Facilities as to the "narrowness" of the separate accounting provision suggests that, at page 2, line 7, "harbor facilities" should be replaced by "harbors" (or, alternatively, "ports and harbors"), and "airport facilities" should be replaced by "airports".

*

The department also expressed concern as to the scope of permissible expenditures for law enforcement. I would suggest that page 2, lines 1 - 3, be revised to read:

"of administering the law under which the money is derived and enforcing laws applicable to the means of transportation to which the fund relates, . . ."

Senator Lloyd Jones, Chair
Page 2
February 27, 1989

*

Finally, I discussed with you the need for clarity as to whether or not sharing of money with local governments to provide transportation-related costs incurred by the local governments would be authorized. This is a subject which, in my view, should be squarely addressed in the proposed resolution, and could be handled by making the following change:

Page 2, line 4: After "craft," delete "and the cost"
Insert:

"and paying costs, and making appropriations to local governments to pay costs, of construction, reconstruction, . . ."

*

Shall I prepare a draft incorporating these changes?

JC:gc
WKG7/063



ALASKA STATE CHAMBER OF COMMERCE

310 Second Street
Juneau, Alaska 99801
(907) 586-2323

FEB 28 1989

February 24, 1989

Senator Lloyd Jones
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Jones:

The Board of Directors of the Alaska State Chamber of Commerce considered SJR 20 dealing with the dedication of funds from fuel taxes and have asked me to express the following concern to you and the other members on the Transportation Committee.

The Board is concerned about the maintenance of the transportation system in Alaska and are appreciative of the efforts you have expended in attempting to deal with this matter. Our objection to the adoption of SJR 20 is largely centered on a grave concern over the precedent that would be set with a constitutional amendment creating a dedicated fund.

Please call if you have any questions about our position or if we can be of assistance to you and the other members of your Committee.

Cordially,

A handwritten signature in dark ink, appearing to be 'G. Krusz', is written above the typed name.

George Krusz, President

GK:ly/jonesSJR20



Matanuska-Susitna Borough

P.O. BOX 1608, PALMER, ALASKA 99645-1608 • PHONE 745-9642

ASSESSMENT DEPARTMENT

February 15, 1989

FEB 20 1989

Senate Transportation Committee
Lloyd Jones, Chairman
P. O. Box V (Mail Stop: 3100)
Juneau, AK. 99811

Dear Mr. Jones:

RE: SJR 20

This is a proposed constitutional amendment dedicating funds from fuel taxes on the surface, however, it also includes dedication of "The proceeds of state taxes, licenses and fees on motor vehicles....." (Page 2, line 2).

The dedication of state taxes on motor vehicles is of concern to municipalities which collect tax on motor vehicle property through the Department of Motor Vehicles. In the case of the Matanuska-Susitna Borough, this amounts to revenues of over \$800,000 per year. Anchorage, Kenai, Ketchikan, Kodiak, Nome, Petersburg and Whittier are similarly affected.

It is necessary to distinguish in this resolution the difference between State tax on motor vehicles and tax collected by the State for municipalities contained in AS28.10.431.

If this resolution is to affect revenues to local municipalities it should be strongly opposed or amended.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gary A. Lewis".

Gary A. Lewis
AML Taxation & Finance
Co-Chairman

ys

cc: Rep. Ronald Larson
Senator Jay Kerttula
Rep. Curt Menard
Senator Mike Szymanski

#2

No monies derived from fees, excises, or license taxes related to registration, operation, or use of vehicles, including the Alaska Marine Highway System, or to fuels used for the propulsion of such vehicles, shall be expended for other than the cost of administering the laws under which such monies are derived, statutory refunds and adjustments provided therein, payment of facility obligations, the cost of construction, reconstruction, maintenance, and repair of transportation facilities or enforcement of laws.. The legislature shall adopt statutes requiring the separate ~~accounting~~ accounting and expenditure of monies derived from highways, harbors, aviation and the Marine Highway System. The expenditure of monies shall be restricted to activities authorized herein for each ^{means of transportation to which the} separate account. ^{statute.} The legislature shall implement this section.



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senate Transportation Committee Members

FROM: Senator Lloyd Jones, Chairman
Senate Transportation Committee

A handwritten signature in cursive script, appearing to read "LJ", is written over the printed name of Senator Lloyd Jones.

DATE: January 26, 1989

SUBJECT: Proposed constitutional amendment dedicating transportation funds

Attached is a draft transportation committee resolution I would like the committee to consider sponsoring. It proposes a constitutional amendment creating dedicated funds from fuel taxes on aircraft, watercraft, and motor vehicle, as well as from, user fees and licenses, and creating a dedicated fund from revenue earned by the Alaska marine highway system.

The resolution is in part a result of the Governor's Task Force on Transportation Facilities recommendations. It is also based upon the experience of 27 other states that have passed anti-diversion amendments.

The purpose of the amendment is to put a direct correlation between the expenses associated with the state's transportation system and the taxes and the fees collected through its use. Should the state in the future decide to change fees or taxes, there would be a direct and immediate impact upon the particular transportation mode affected.

A constitutionally dedicated source of revenue can help prevent further deterioration of the state's existing roads, highways and airports. This would help instill in the general public a measure of confidence that funds received by the state through user taxes and fees would be allocated to those purposes.

I would appreciate your comments and suggestions regarding this proposal.

ALASKA STATE LEGISLATURE

Sen. Lloyd Jones, Chairman
Sen. Bettye Fahrenkamp, Vice Chairman
Sen. John B. "Jack" Coghill
Sen. Paul Fischer
Sen. Pat Pourchot



P.O. Box V
Juneau, AK 99811

907-465-4921

Senate Transportation Committee

MEMORANDUM

TO: Senate Transportation Committee Members

FROM: Senator Lloyd Jones, Chairman
Senate Transportation Committee 

DATE: February 9, 1989

SUBJECT: Proposed constitutional amendment dedicating transportation funds

Senate Joint Resolution 20 proposes a constitutional amendment creating dedicated funds from fuel taxes on aircraft, watercraft, and motor vehicle, as well as from, user fees and licenses, and creating a dedicated fund from revenue earned by the Alaska marine highway system.

The resolution is in part a result of the Governor's Task Force on Transportation Facilities recommendations. It is also based upon the experience of 27 other states that have passed anti-diversion amendments.

The purpose of the amendment is to put a direct correlation between the expenses associated with the state's transportation system and the taxes and the fees collected through its use. Should the state in the future decide to change and/or implement new fees or taxes, there would be a direct and immediate impact upon the particular transportation mode affected.

A constitutionally dedicated source of revenue can help prevent further deterioration of the state's existing roads, highways and airports. This would help instill in the general public a measure of confidence that funds received by the state through user taxes and fees would be allocated to those purposes.

ALASKA STATE LEGISLATURE

Sen. Lloyd Jones, Chairman
Sen. Bettye Fahrenkamp, Vice Chairman
Sen. John B. "Jack" Coghill
Sen. Paul Fischer
Sen. Pat Pourchot



P.O. Box V
Juneau, AK 99811

907-465-4921

Senate Transportation Committee

MEMORANDUM

TO: Jack Chenoweth
Legislative Counsel

FROM: Terry Otness *TO* Committee Assistant
Senate Transportation Committee

DATE: February 15, 1989

SUBJECT: Proposed CS for SJR20

Senator Jones is concerned that the language we have used in SJR 20 is too complex. Since it is a constitutional amendment, it is thought that it should be as simple and straight forward as possible. With this in mind, please review this language which was modeled from other state constitutions and try to incorporate it as a committee substitute.

If possible, please also make a version similar in form, which would allow dedication of highway motor fuel taxes to the Alaska Marine Highway System.

No monies derived from fees, excises, or license taxes related to registration, operation, or use of vehicles, including the Alaska marine highway system, or to fuels used for the propulsion of such vehicles, shall be expended for other than the cost of administering the laws of under which such monies are derived, statutory refunds and adjustments provided therein, payment of facility obligations, the cost of construction, reconstruction, maintenance, and repair of transportation facilities or enforcement of laws. The legislature shall adopt statutes requiring the separate accounting and expenditure of monies derived from highways, harbors, aviation and the Alaska marine highway system. The expenditure of monies shall be restricted to activities authorized herein for each means of transportation to which the separate account relates. The legislature shall implement this section.

Please call me at 465-4921 if you have any questions.

ALASKA STATE LEGISLATURE

While in Ketchikan
352 Front Street
Ketchikan, AK 99901
907-225-9675



While in Juneau
P.O. Box V
Juneau, AK 99811
907-465-3743

Senator Lloyd Jones

MEMORANDUM

TO: Transportation Committee Members

FROM: Senator Lloyd Jones, Chairman

DATE: February 27, 1989

SUBJECT: SJR 20, Dedicated fund for transportation

After the committee's first hearing on SJR 20 I instructed the committee assistant to prepare a draft committee substitute which would address the concerns raised by the various witnesses at the first hearing.

My first concern was to see if the language of the resolution could be simplified. I hope you'll agree that the new version is more concise. This is essentially model language suggested by the Federal Highway Users Federation. It has been modified to fit Alaska's particular needs.

The second concern was that fuel taxes which are collected by the international airports would be captured and diverted from international airport fund. In this new draft the present revolving airport fund could be continued.

Another concern expressed was that under A.S. 43.40 aviation fuel taxes are refunded at the rate of 60 percent to communities which own and operate or lease and operate aviation facilities. It was thought that under the previous language the communities would not be entitled to the refund. The new version insures that this arrangement will continue.

The Matanuska-Susitna Borough had written to express its opposition to the resolution in its present form out of a belief that the proposed constitutional amendment would capture the local funds which are collected by motor vehicles on behalf of the municipality. To ameliorate the concerns of those communities the term "state" has been inserted preceding taxes on page 1, line 26. On page 2, line 14, after "system." the following language has been added:

"The provisions of this section do not apply to a tax, license, or fee levied and collected by the state on behalf of a local government."

ALASKA STATE LEGISLATURE

Sen. Lloyd Jones, Chairman
Sen. Bettye Fahrenkamp, Vice Chairman
Sen. John B. "Jack" Coghill
Sen. Paul Fiscier
Sen. Pat Pourchot



P.O. Box V
Juneau, AK 99811

907-465-4921

Senate Transportation Committee

MEMORANDUM

TO: Transportation Committee Members

FROM: Terry Otness, Committee Assistant ^{TO.}

DATE: March 21, 1989

SUBJECT: SJR 20 revisions

There are two drafts in this packet. The resolution and the accompanying draft bill are the response to the committee's direction to simplify the resolution.

The second draft encompasses all previous changes to a "resolution only" concept.

Both versions incorporate many of the suggested changes the committee and other testifiers have offered.

The changes which have been incorporated into both draft resolutions are:

1. Language to ensure that the international airport revenues are kept separate.
2. Language to protect refunds of fees to municipal airports from the state.
3. Language to ensure protection for refunds of taxes collected by the state on behalf of municipalities.