

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6756 SENATE TRANSPORTATION

160

§ 30.30.170

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§ 30.30.170 NAVIGATION, HARBORS AND SHIPPING § 30.30.170

(4) "waters of this state" means the navigable waters within the territorial limits of the state, and the marginal sea adjacent to the state, as defined in AS 44.03. (§ 1 ch 131 SLA 1975; am E.O. No. 39, § 11 (1977); am § 88 ch 74 SLA 1985)

Effect of amendments. — The 1985 amendment repealed paragraph (2), which defined "municipality."

Boyle Edward 465-4942

| DATE | NAME | WHERE | POLLUTION | DISPOSITION | |
|-----------|--------------------------------|-------------------|-------------|---|--------|
| 2 OCT | TUG EASTERN | WILKSTONE NARROWS | NONE | REFLOATED | UCN 01 |
| 10 NOV 88 | M/V CITY OF SEATTLE | ATKA | UNK | UNK | UCN 8 |
| 3 DEC | F/V OPTY | SHEMYA | UNK | UNK | INFO 0 |
| 10 DEC | M/V RUSSELL MAJAN | AKUN | NONE | THERE TO STAY DETACHED/BURNED | UCN 1 |
| 12 DEC | F/V DRYBARREL M/V | CLARENCE STRAIT | NONE | UNK | UCN 1 |
| 13 JAN | M/V NO. 6 CHILBY DAN | UNALYKA ISLAND | YES (SHEEN) | THERE TO STAY DETACHED/BURNED STILL BURNING | UCN 0 |
| 25 JAN | F/V TERMINATOR | ST PAUL | YES | (POSSIBILITY OF ILLUSTRATING) | INFO 0 |
| 11 JAN | F/V CHRISTINE | WATSONS NARROWS | NONE | REFLOATED | UCN 0 |
| 25 JAN | F/V HIGHWAY 15 | WATSONS NARROWS | NONE | REFLOATED | UCN 0 |
| 02 MAR | F/V SULLIVE | USHAGAT ISLAND | NONE | UNK (BELIEVE REFLOATED) | UCN 0 |
| 02 MAR | F/V DAILY BURNING | USHAGAT ISLAND | NONE | UNK (BELIEVE REFLOATED) | UCN 0 |
| 05 MAR | F/V SPENCER 1 | PORT HUGHTONS | UNK | UNK (BELIEVE STILL THERE) | UCN 0 |
| 25 MAR | F/V KREBELEINE | SNOW PATZ | NONE | REFLOATED | UCN 0 |
| 24 MAR | M/V JOHNNY SEAL | SUSANSON HBR | NONE | REFLOATED | UCN 0 |
| 5 APR | F/V MARIANA TRAWLER | CRUIQ | NONE | REFLOATED | UCN 0 |
| 28 FEB | M/V SMALLWOOD | DUTCH HARBOR | YES | STILL APPROX (PROBABLY TO STAY) | |
| 14 MAR | T/V EXXON VDE | BIGHILL, P.W.19 | YES | REFLOATED | |

1 OCT 88 TO 24 APR 89

17 GROUNDINGS
 4-5 STRANDED
 7-9 REFLOATED
 4 POLLUTION INCIDENTS
 (OIL IN WATER)

FOR FURTHER INFO:

A MARINE SAFETY ANCHORAGE 271-513-
 B MARINE SAFETY KETCHIKAN 225-449
 C MARINE SAFETY OFFICE VALDEZ 835-4791

List of Vessels

HJR

11

Original sponsors: Brown, Goll,
and M. Davis

zero / DEC

IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

CS FOR HOUSE JOINT RESOLUTION NO. 11 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

Relating to Congressional reauthoriza-
tion of the Clean Air Act.

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

WHEREAS the people of the state are committed to healthful air for residents of the state to breathe; and

WHEREAS the air in Anchorage and Fairbanks periodically contains levels of carbon monoxide during cold weather conditions that exceed air quality standards; and

WHEREAS carbon monoxide presents a health risk to humans because it robs the body of oxygen and is a particular health risk to the elderly, infants, pregnant women, and individuals with chronic heart and lung diseases; and

WHEREAS carbon monoxide is a product of inefficient combustion and at least 90 percent of the carbon monoxide in the air of Anchorage and Fairbanks results from automobile exhausts during the cold winter months; and

WHEREAS the carbon monoxide levels in Anchorage and Fairbanks can be reduced by the adoption of two primary strategies: by reducing the number of automobile miles traveled during the cold winter months and by reducing the amount of carbon monoxide each vehicle emits; and

WHEREAS the expanded use of mass transit and ride-sharing will reduce the number of automobile miles traveled, thus reducing the amount of carbon monoxide emitted; and

WHEREAS the Anchorage and Fairbanks municipal governments are presently restricted by Federal law in their ability to use Federal gas tax funds

to expand mass transit and other more efficient transportation measures;
and

WHEREAS the Environmental Protection Agency now certifies new vehicles for carbon monoxide emissions at temperatures ranging between 68 and 86 degrees Fahrenheit, instead of a range more appropriate to colder climates;
and

WHEREAS a cold temperature certification program could reduce actual carbon monoxide emissions by as much as 46 percent; and

WHEREAS the Congress of the United States is now in the process of reauthorizing and amending the Clean Air Act;

BE IT RESOLVED that the Alaska State Legislature urges the Congress to support the reauthorization of the Clean Air Act with amendments noted in this resolution; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the Congress to increase mass transit funding as a means of mitigating the adverse effects of transportation related air pollution; and be it

FURTHER RESOLVED that the reauthorization of the Clean Air Act require the Environmental Protection Agency to certify motor vehicles for carbon monoxide emission compliance at 20 degrees Fahrenheit.

COPIES of this resolution shall be sent to the Honorable Dan Quayle, Vice-President of the United States and President of the U.S. Senate; the Honorable Jim Wright, Speaker of the U.S. House of Representatives; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Reauthorization of the Clean Air Act
 Sponsor: Representative Kay Brown
 Requestor: House Transportation Committee

Agency Affected: Environmental Conservation
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |

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| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
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| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |
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FUNDING: (Thousands of Dollars)

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| GENERAL FUND | | | | | | |
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POSITIONS: None

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| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Amy D. Kyle *AD/K* Phone: 465-2600
 Division: Commissioner's Office Date: 26 Feb 1989

Approved by Commissioner: *[Signature]* Date: February 27, 1989
 Agency: Dept. of Environmental Conservation

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

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: Reauthorization of the Clean Air Act
 Sponsor: Representative Kay Brown
 Requestor: House Transportation Committee

Agency Affected: Environmental Conservation
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|------------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
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| GRANTS, CLAIMS | | | | | | |
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| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |

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FUNDING: (Thousands of Dollars)

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|---------------|--|--|--|--|--|--|
| GENERAL FUND | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | | | | | |

POSITIONS: None

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|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Amy D. Kyle *ADK* Phone: 465-2600
 Division: Commissioner's Office Date: 26 Feb 1989

Approved by Commissioner: *James D. Kelso* Date: February 27, 1989
 Agency: Dept. of Environmental Conservation

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

Kay Brown

Alaska State Legislature House of Representatives

M E M O R A N D U M

TO: Senate Transportation Committee Members

FROM: Representative Kay Brown

DATE: April 20, 1989

RE: HJR 11, Relating to Reauthorization of the Federal Clean Air Act

CS for HJR 11, as passed by the House, asks Congress to:

- * reauthorize the Clean Air Act;
- * amend the Clean Air Act to require the Environmental Protection Agency to certify motor vehicles for carbon monoxide emission compliance at colder temperatures; and
- * increase mass transit funding as a means of mitigating air pollution.

Congress is expected to amend and reauthorize the Clean Air Act this year. Passage of this resolution will help Alaska's efforts to have a "cold start" amendment included. Certifying cars at colder temperatures can cut carbon monoxide emissions in Anchorage and Fairbanks by up to 46%.

The resolution in its current form is supported by the local governments of Anchorage and Fairbanks (by resolutions of both assemblies), the Departments of Transportation and Environmental Conservation, and various health and public interest organizations ranging from the Alaska Lung Association and the Clean Air Coalition to the League of Women Voters.

Above all, this is a health issue. The inspection and maintenance programs in Anchorage and Fairbanks have been highly successful in cutting down on carbon monoxide levels. However, those cities, as well as about 70 others around the country, are still out of compliance with clean air standards. Air pollution poses a threat to all our citizens--especially children, the elderly, and those with respiratory illnesses. In 1988 Anchorage and Fairbanks still had 14 air pollution violations each--13 more than each is allowed.

During Session:

P. O.
Anchorage
(90) SPONSOR'S LETTERS

Kay Brown

Alaska State Legislature House of Representatives

APR 11 1989

M E M O R A N D U M

TO: Senator Lloyd Jones
Chair, Senate Transportation Committee

FROM: Representative Kay Brown

DATE: April 10, 1989

RE: Request for Scheduling of HJR 11

I would like to ask that HJR 11, relating to reauthorization of the Clean Air Act by Congress, be scheduled for a hearing in the Senate Transportation Committee.

HJR 11 encourages Congress to reauthorize the Clean Air Act and, in so doing, to adopt an amendment to require vehicle certification at lower temperatures than is now required. This amendment, if adopted, could cut carbon monoxide emissions in Anchorage and Fairbanks by 46%; it is our best hope of solving the serious air pollution problems in those cities as well as elsewhere in the country.

Because Congress is expected to reauthorize the Clean Air Act this year, it's necessary for this resolution to pass both houses this session if we hope to assist the state's efforts to have the "cold start" amendment incorporated into the Act.

HJR 11 has been endorsed by resolution by the assemblies of both Anchorage and Fairbanks. It is supported by both the Departments of Transportation and Environmental Conservation, as well as by many organizations and individuals.

I have attached a copy of the resolution as passed by the House on a vote of 36-4.

Thank you for your consideration.

Submitted by: Assemblyman Barnett
Prepared by: Assembly Budget Analyst
For reading: March 28, 1989

AMENDED AND APPROVED

ANCHORAGE, ALASKA
AR NO. 89-69

Date: 4-4-89

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY SUPPORTING HOUSE
JOINT RESOLUTION NO. 11 (HJR 11) RELATING TO CONGRESSIONAL
REAUTHORIZATION OF THE CLEAN AIR ACT

WHEREAS, HJR 11 has been introduced in the legislature; and

WHEREAS, this proposed resolution addresses an innovative
approach to requirements of the Clean Air Act as it relates to
colder climates; and

WHEREAS, Anchorage's air quality stands to benefit if the
concepts of HJR 11 is acted upon by the U. S. Congress.

NOW, THEREFORE, the Anchorage Municipal Assembly resolves:

Section 1: That this body endorses ^{CS} HJR 11 in its entirety
and urges immediate and appropriate action by the U. S. Congress.

Section 2: That copies of this resolution be forwarded to
Alaska Congressional Delegation and the Alaska legislature.

PASSED AND APPROVED by the Anchorage Assembly this 4th
day of April, 1989.

Chairman

ATTEST:

Municipal Clerk

EJG:eg
DOCA/AR22

Attachment (HJR NO. 11)

By: Juanita Helms
Introduced: 02/23/89
Adopted: 02/23/89

RESOLUTION NO. 89-022

A RESOLUTION RELATING TO HOUSE JOINT
RESOLUTION NO. HJR-11 IN THE
LEGISLATURE OF THE STATE OF ALASKA

WHEREAS, House Joint Resolution No. HJR-11 has been introduced into the Legislature of the State of Alaska, Sixteenth Legislature, First Session, to urge the Congress to support the reauthorization of the Clean Air Act with certain amendments; and

WHEREAS, House Joint Resolution No. HJR-11 would further urge the inclusion of the following amendments to a reauthorized Clean Air Act:

(1) permit cities that exceed emission standards established under the Act the local option of using Federal gas tax money for the operation of mass transit, light rail, ride-sharing systems and other transportation measures as a means of reducing air pollution; and

(2) require the Environmental Protection Agency to certify motor vehicles for carbon monoxide emission compliance at a colder temperature range beginning at 20 degrees Fahrenheit; and

WHEREAS, the people of the Fairbanks North Star Borough are committed to healthy air for residents of the Borough to breathe.

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks North Star Borough Assembly supports and endorses House Joint Resolution No. HJR-11 in the Legislature of the State of Alaska, Sixteenth Legislature, First Session.

BE IT FURTHER RESOLVED that the Fairbanks North Star Borough Assembly urges the Interior Legislative Delegation to actively support the passage of HJR No. 11 in the Legislature of the State of Alaska, Sixteenth Legislature, First Session.

PASSED AND APPROVED THIS 23RD DAY OF FEBRUARY, 1989.

Chris Bucl
Presiding Officer

ATTEST:

Mona Lisa Rexler
Clerk of the Assembly

seen fit to offer.

Something in the air

Here in Anchorage, the December air has carried more than snow and rain, clouds and sunshine. Four times in the last eight days carbon monoxide pollution has reached unhealthy levels, according to the city health department.

During 1988, Anchorage carbon monoxide levels have exceeded federal standards 14 times.

This news doesn't get the kind of attention it deserves.

Too many people are still under the misapprehension that this corner of the last frontier is free of big-city air pollution problems.

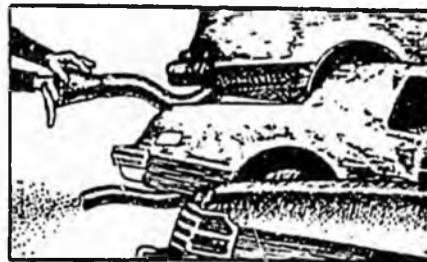
On a human level, this ignorance can be harmful. When air pollution reaches unhealthy levels, it begins to pose risks to people with heart and lung ailments.

On a policy level, ignorance of local air pollution breeds complacency. Public indifference increases the chances the city will try to continue business as usual, catering to the cars that cause the pollution and short-shrifting strategies needed to clear the air.

In the short run, Anchorage needs to clean up its cars. The city is studying the possibility of expanding the emissions testing program to include Mat-Su Valley commuters. If that doesn't work, Anchorage may have to consider mandating use of pollution-reducing oxygenated fuels, as Denver now does.

In the long run, Anchorage needs to cut its dependence on the automobile. That will take careful planning of future growth and a much stronger commitment to transit.

Anchorage's 14 air pollution violations in 1988 are 13 more than federal law allows. If the violations persist, the city faces the loss of federal highway funds. That threat, and the prospect of having air worthy of Los Angeles, should keep air pollution control at the top of the public agenda.



ADN 12/28/88

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Municipality of Anchorage



P.O. BOX 196650
ANCHORAGE, ALASKA 99519-6650
(907) 786-8402

TOM FINK,
MAYOR

TRANSIT DEPARTMENT

March 1, 1989

Representative Bette Cato
Chairperson, House Transportation Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Cato:

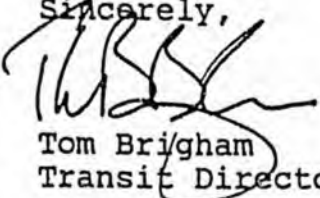
I am writing in support of House Joint Resolution 11 as amended during the hearing and teleconference held Tuesday morning, February 28, 1989.

Air Quality Compliance is clearly an issue that Anchorage will continue to grapple with for some time to come. Even with the benefit of a population decline and a very effective inspection and maintenance program, we have not been able to reduce carbon monoxide emissions to levels within federal standards.

We are fully supportive of HJR 11, both with respect to its call for increased funding of mass transit and its provision urging the certification of motor vehicles for CO emissions at colder temperatures. If both provisions were to become reality, air quality in Anchorage - along with many other northern-climate cities - would be substantially improved. Clean, or more accurately, non-poisonous air is something especially important to Alaskans who, unlike New Yorkers, don't have to be able to see the air they breathe in order to trust it.

HJR 11 deserves the support of the House Transportation Committee as well as the full Legislature.

Sincerely,


Tom Brigham
Transit Director

cc: Representative Kay Brown
Don Simmons, MOA

ATB2/1r26



Tom Fink,
Mayor

Municipality of Anchorage

Department of Health and Human Services

325 "L" Street
P.O. Box 196650 Anchorage, Alaska 99519-6650



March 6, 1989

Representative Bette Cato
Chair, Transportation Committee
Alaska State House of Representatives
P.O. Box V
Juneau, AK 99811

RE: HJR 11

Dear Representative Cato:

Bette

I am writing to you concerning HJR 11 and its impact on reauthorization of the Clean Air Act by the United States Congress. This resolution supports two very worthy amendments, the testing of new vehicles at cold temperatures and increased funding for transportation enhancement measures such as mass transit.

The testing of new vehicles is currently done at temperatures ranging from 68 to 86 degrees Fahrenheit. An emission test standard for new vehicles at 20 degrees Fahrenheit would substantially reduce emissions of carbon monoxide. Cold temperature testing is the best long-term strategy for Anchorage, Fairbanks, and other cities to meet the National Ambient Air Quality Standard for carbon monoxide.

We also recognize the need to find additional sources of revenue to operate mass transit systems. The Department of Health and Human Services fully supports HJR 11 as amended. My staff is available to provide technical assistance to support its passage.

Sincerely,

Robert A. (Bert) Hall, Director
Department of Health and Human Services

dsl124

cc: Tom Fink, Mayor
Glen Glenzer, Executive Manager,
General Government Operations
Lee Browning, P.E., Manager, Environmental Services



Tom Fink,
Mayor

Municipality of Anchorage

Municipal Health & Human Services Commission

825 "L" Street

P.O. Box 196650 Anchorage, Alaska 99519-6650



Telephone:
(907) 343-4674

March 8, 1989

Representative Kay Brown
P.O. Box V
Juneau, Alaska 99811

Subject: HJR 11

Dear Representative Brown,

The Municipal Health & Human Services Commission strongly supports House Joint Resolution 11, "relating to the reauthorization of the Clean Air Act."

The Municipality of Anchorage has made significant strides during the last few years towards reducing air pollution, including the implementation of a very successful Inspection and Maintenance Program in 1985. (The municipality estimates that CO emissions have been reduced by 50% as a result of this program.) Despite these efforts, the municipality exceeded federal air quality standards for carbon monoxide 15 times on ten different days in 1988.

In order to further reduce air pollution in Anchorage additional steps must be taken. Unfortunately, some of the most effective air pollution reduction strategies can only be undertaken by the federal government. Two such strategies relating to federal reauthorization of the Clean Air Act have been identified in HJR 11. One part of the bill would require EPA to certify motor vehicles for carbon monoxide emission compliance at a colder temperature range. The Commission believes that implementation of this strategy could achieve the greatest reduction of air pollution of any remaining air pollution strategy. The proposal to amend the Clean Air Act to permit the utilization of Federal gas tax money for the operation of mass transit has been previously recommended in the Anchorage Health & Human Services Plan - Volume 3 (Jan. 1988).

If you have any questions regarding the Commission's stance on this issue please contact our staff at 343-4674.

Sincerely,

Linda Langston / LK

Linda Langston, Chair, Health & Human Services Commission

cc: Mayor Tom Fink
Robert A. (Bert) Hall, Director, Department of Health &
Human Services
Representative Betty Cato
Bill Faulkner, Chairman, Municipal Assembly



Fairbanks North Star Borough

25th Silver Anniversary

January 23, 1989

Representative Kay Brown
Alaska State House
P.O. Box V
Juneau, Alaska 99811

Dear Representative *Kay* Brown:

I am writing to thank you for your sponsorship of HJR.11, relating to U.S. Congressional reauthorization of the Clean Air Act. This resolution would support the inclusion of two worthy amendments in any such reauthorization. The first would give communities in nonattainment of federal air quality standards, such as Anchorage and Fairbanks, the local option of using Federal gas tax funds for the operation of mass transit, carpooling, and other transportation measures. Such a provision would utilize monies paid directly by the owners of motor vehicles, whose vehicles account for over 90% of all carbon monoxide (CO) emitted in the Fairbanks area. This "pollution tax" would be a very equitable method for communities to charge the cost of control measures directly to those who are responsible for the problem.

The second amendment would continue the work that the Fairbanks North Star Borough has accomplished over the last two years, in our efforts to get the federal government to mandate the cold temperature CO testing of all new vehicles. Such a certification program, if required down to 20°F, appears to provide the best available method for significantly reducing future ambient CO concentrations on a national level, and would provide even greater benefits in Anchorage and Fairbanks.

The Fairbanks North Star Borough Administration heartily endorses HJR.11. This resolution has our full support, and I am instructing my staff to render any assistance necessary for its passage.

Sincerely,

Juanita
Juanita Helms
Borough Mayor

JH/RWJ/mnb

rj-5/bud

LETTERS OF SUPPORT - Fairbanks
N. Star Borough



Fairbanks North Star Borough

15th Silver Anniversary

February 10, 1989

Representative Kay Brown
Alaska State House
P.O. Box V
Juneau, Alaska 99811

Dear Representative Brown:

I am writing to you on behalf of the Fairbanks North Star Borough's Pollution Control Commission to thank you for your sponsorship of HJR.11, relating to U.S. Congressional reauthorization of the Clean Air Act. This resolution supports the inclusion of two possible amendments to the reauthorization. The first would give the communities in nonattainment of federal air quality standards, such as Fairbanks and Anchorage, the local option of using federal gas tax funds for the operation of mass transit, carpooling, and other transportation measures. Such a provision would utilize monies paid directly by the owners of motor vehicles, whose vehicles account for over 90% of all carbon monoxide (CO) emitted in the Fairbanks area. The Pollution Control Commission believes that this "pollution tax" would be a very equitable method for communities to charge the cost of control measures directly to those who are responsible for the problem.

The second amendment would continue the work accomplished by the Borough in the last two years to get the federal government to mandate cold temperature CO testing of all new vehicles. This certification program, if required down to 20°F, would provide the best available method for significantly reducing future ambient CO concentrations on a national level, with even greater benefits in Fairbanks and Anchorage.

The Pollution Control Commission is a commission appointed by the Borough Mayor, and charged with advising the Mayor, staff and Assembly on environmental matters. As such, the Commission is very interested in pursuing whatever means available to reduce CO levels in Fairbanks. HJR.11 would help accomplish this goal. For this reason, it has our full support and endorsement.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott C. DeClue". The signature is written in a cursive style and is followed by a long horizontal line.

Scott C. DeClue, Vice-chair
Pollution Control Commission

RJ/SCD/mnb

jh-28/jhl

H J R

15

Introduced: 1/23/89
 Referred: Transportation
 and Finance

IN THE HOUSE

BY CATO

HOUSE JOINT RESOLUTION NO. 15

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

Relating to the increase in federal motor fuel taxes and the use of fuel taxes to reduce the federal budget deficit.

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

WHEREAS the United States Congress is looking for effective means to reduce the federal budget deficit in the immediate future; and

WHEREAS several proposals being considered for deficit reduction would increase the existing federal fuel taxes by various sizable increments; and

WHEREAS the United States Department of Energy has stated that a motor fuel tax will create an economic loss that is greater than the possible benefits of the tax; and

WHEREAS motor fuel taxes are regressive taxes and their increase would affect the poor to a greater extent than persons of other income levels; and

WHEREAS states would not receive direct revenue benefits from increased federal fuel taxes, but would incur substantial increases in their public assistance costs; and

WHEREAS United States residents in the south, midwest, and west pay more fuel taxes because they must travel greater distances by personal vehicles than residents of other regions and, therefore, would bear a disproportionate burden of deficit reduction; and

WHEREAS since a great need exists to rehabilitate and reconstruct the nation's transportation system infrastructure, motor fuel taxes should continue to be dedicated to transportation purposes; and

HJR 15

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WHEREAS the tourism industry, one of the top three employers in 80 percent of the states, would be adversely affected by the proposed fuel tax increases; and

WHEREAS the gross national product, the consumer price index, and employment all would be severely and negatively affected by the proposed fuel tax hikes; and

WHEREAS raising the motor fuel taxes and using the taxes for deficit reduction purposes would not only undermine the highway trust fund, but would severely and negatively affect the nation's transportation system;

BE IT RESOLVED that the Alaska State Legislature urges the United States Congress to oppose an increase in the federal motor fuel taxes and the use of the taxes to reduce the federal budget deficit.

COPIES of this resolution shall be sent to the Honorable George Bush, President of the United States; the Honorable Dan Quayle, Vice-President of the United States and President of the U.S. Senate; the Honorable Jim Wright, Speaker of the U.S. House of Representatives; to the Honorable Samuel K. Skinner, the Secretary of the U.S. Department of Transportation; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HJR 15
PUBLISH DATE: HOUSE 2/17/89

REQUEST: FISCAL NOTE

Revision Date: 1/23/89
Title: Relating to the increase in federal motor
fuel taxes and the use of fuel taxes to reduce
the federal budget deficit

Agency Affected: DOT&PF
BRU:

Sponsor: Cato
Requestor: House Transportation

Components: Highway Program

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| 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: (Attach a separate page if necessary)

Prepared by: M. Clyde Stoltzfus, Special Assistant to the Commissioner
Division: Commissioner Office

Phone: 465-3900

Date: 02/16/89

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

Date: 02/16/89

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

SENATE COMMITTEE REPORT

FURTHER

RES

3/22/89

DATE TURNED INTO OFFICE April 20, 1989

Mr. President:

TRSP

Committee considered

CSHJR 11 (TRS)

Congressional reauthorization of the Clean Air Act

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) 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

[Signature]

[Signature]

[Signature]

[Signature]
Chairman signature and recommendation

Committee Backup attached

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: Senator Arliss Sturgulewski, Chair
Senate Rules Committee

From: Senator Lloyd Jones, Chair
Senate Transportation Committee

A handwritten signature in dark ink, appearing to be "LJ", written over the typed name of Senator Lloyd Jones.

The Senate Transportation Committee's membership has recommended that HJR 15 be amended in the next committee of referral to include the names of the appropriate Congressional Committees, their chairman, and to include language supporting the U.S. House and Senate resolutions which call for the same course of action. This information was not available when the resolution was reported out of committee. The Transportation Committee was concerned this message not be delayed, so rather than holding the resolution while trying to obtain the correct committee names, it was decided that the next committee would be able to make these changes.

The names of the committees and the chairmen to be included are; the Senate Finance Committee, Senator Lloyd Bentson, Chairman, and the House Ways and Means Committee, Representative Dan Rostenkowski, Chairman.

The resolutions which speak to this issue are H. RES. 41, A resolution expressing the sense of the House of Representatives that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit and S. RES. 63, A resolution expressing the sense of the Senate that the Federal excise taxes on gasoline and diesel fuel shall not be used to reduced the Federal deficit. They are both attached.

It is expected that there would be no change to the previous zero fiscal note.

The Transportation Committee appreciates your careful consideration of these proposed changes.

attachments

SENATE COMMITTEE REPORT

FURTHER

3/16/89

DATE TURNED INTO OFFICE April 21, 1989

Mr. President:

TRSP

Committee considered HJR 15

increase in federal motor fuel taxes and the use of fuel taxes to reduce the federal budget deficit

and recommended

- replace with _____ CS _____) same title
- or adopt _____ CS _____) 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

Fabrizio
Daryl Frick
Bob Fawcett
J. B. ...

Andrew (Do Pass)
 Chairman signature and recommendation

Committee Backup attached

Report for S.RES.63 Resolution Opposing the Increase of Taxes on Gasoline
 and Diesel Fuel in Order to Reduce the Federal Deficit
As introduced in the Senate
Complete Text of this version

III

101st CONGRESS
1st Session

S. RES. 63

Expressing the sense of the Senate that the Federal excise taxes on gasoline
and diesel fuel shall not be increased to reduce the Federal deficit.

IN THE SENATE OF THE UNITED STATES
February 22 (legislative day, January 3), 1989

Mr. Symms submitted the following resolution; which was referred to the
Committee on Finance

RESOLUTION

Expressing the sense of the Senate that the Federal excise taxes on gasoline
and diesel fuel shall not be increased to reduce the Federal deficit.

=====

Whereas Federal excise taxes are regressive in that a lower income
individual must use a higher percentage of his income to pay the taxes than a
higher income individual;

Whereas adding 10 cents or more per gallon to the cost of fuel will have a
devastating effect on the Nation's economy in that such an increase would--

- (1) reduce the gross national product by \$10 billion in the 1st year,
- (2) reduce automobile production by 1.3 percent,
- (3) reduce housing construction by 0.9 percent,
- (4) increase unemployment by 80,000 in the 1st year and 180,000 by the
third year,
- (5) reduce petroleum refinery output by 1.2 percent,
- (6) reduce income tax revenues by almost \$1 billion annually,
- (7) reduce personal savings by nearly 3 percent, and
- (8) increase the Consumer Price Index by 0.3 percent;

Whereas it would be discriminatory for one portion of the Nation's
population, highway users, to pay an additional tax in order to reduce the
Federal deficit, thereby forcing this segment to shoulder a greater share of
our Nation's financial burden;

Whereas it would be inequitable for individuals to contribute to Federal
deficit reduction based on the number of miles driven per year;

Whereas Federal highway and public transit programs are funded at levels
significantly lower than documented needs requiring States to provide funds to
fill that shortfall;

- Whereas an increase in the Federal tax on gasoline and diesel fuel--
- (1) inhibits the ability of State and local governments to raise revenues
to fund transportation projects, and
- (2) reduces the revenues for State and local government fuel taxes unless
State and local governments increase their taxes; and

Whereas total motor fuel taxes (including State and local tax(es)) account
for nearly 25 percent of the retail price of gasoline and about 29 percent of
the retail price of diesel fuel making motor fuel among the most heavily taxed
essential items in the Nation: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Federal excise taxes
on gasoline and diesel fuel shall not be increased in order to reduce the
Federal deficit.

Expressing the sense of the House of Representatives that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit.

IN THE HOUSE OF REPRESENTATIVES
January 19, 1989

Mr. Anderson (for himself, Mr. Hammerschmidt, Mr. Shuster, Mr. Roe, Mr. Mineta, Mr. Oberstar, Mr. Nowak, Mr. Rahall, Mr. de Lugo, Mr. Savage, Mr. Bosco, Mr. Kolter, Mr. Valentine, Mr. Towns, Mr. Lewis of Georgia, Mr. DeFazio, Mr. Grant, Mr. Hayes of Louisiana, Mr. Clement, Mr. Payne of Virginia, Mr. Costello, Mr. Pallone, Mr. Stangeland, Mr. Gingrich, Mr. Clinger, Mr. McEwen, Mr. Mackard, Mr. Hastert, Mr. Inhofe, Mr. Upton, Mr. Emerson, Mr. Craig, Mr. Duncan, Mr. Hancock, Mr. Coelho, Mr. Lightfoot, Mr. Applegate, Mr. Martinez, Mr. Bilbray, Mr. Volkmer, Mr. Gallo, Mrs. Smith of Nebraska, Mr. Callahan, Mr. Lagomarsino, Mr. Barton of Texas, Mr. Dornan of California, Mr. Gallegly, Mr. Shumway, Mrs. Vucanovich, Mr. Horton, Mr. Douglas, Mr. Martin of New York, Mr. Courter, Mr. DeLay, Mr. Broomfield, Mr. Solomon, Mr. Combest, Mr. Ravenel, Mr. Smith of New Hampshire, Mr. Donald E. "Buz" Lukens, Mr. Bliley, Mr. Buechner, Mr. Roberts, and Mr. Dreier of California) submitted the following resolution: which was referred to the Committee on Ways and Means

RESOLUTION

Expressing the sense of the House of Representatives that the Federal excise taxes on gasoline and diesel fuel shall not be increased to reduce the Federal deficit.

=====
Whereas Federal excise taxes are regressive in that a lower income individual must use a higher percentage of his income to pay the taxes than a higher income individual;

Whereas adding 10 cents or more per gallon to the cost of fuel will have a devastating effect on the Nation's economy in that such an increase would--

- (1) reduce the gross national product by \$10 billion in the 1st year,
- (2) reduce automobile production by 1.3 percent,
- (3) reduce housing construction by 0.9 percent,
- (4) increase unemployment by 80,000 in the 1st year and 180,000 by the third year,
- (5) reduce petroleum refinery output by 1.2 percent,
- (6) reduce income tax revenues by almost \$1 billion annually,
- (7) reduce personal savings by nearly 3 percent, and
- (8) increase the Consumer Price Index by 0.3 percent;

Whereas it would be discriminatory for one portion of the Nation's population, highway users, to pay an additional tax in order to reduce the Federal deficit, thereby forcing this segment to shoulder a greater share of our Nation's financial burden;

Whereas it would be inequitable for individuals to contribute to Federal deficit reduction based on the number of miles driven per year;

Whereas Federal highway and public transit programs are funded at levels significantly lower than documented needs requiring States to provide funds to fill that shortfall;

Whereas an increase in the Federal tax on gasoline and diesel fuel--

- (1) inhibits the ability of State and local governments to raise revenues to fund transportation projects, and
- (2) reduces the revenues for State and local government fuel taxes unless State and local governments increase their taxes; and

Whereas total motor fuel taxes (including State and local taxes) account for nearly 25 percent of the retail price of gasoline and about 29 percent of the retail price of diesel fuel making motor fuel among the most heavily taxed essential items in the Nation: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Federal excise taxes on gasoline and diesel fuel shall not be increased in order to reduce the Federal deficit.

A GAS TAX INCREASE
FOR DEFICIT REDUCTION--
AN EASY SOLUTION?
OR
NO SOLUTION AT ALL?



This brochure is published by the following concerned organizations:

Associated General Contractors of America

American Farm Bureau Federation

National Association of Counties

International Union of Operating Engineers

National Aggregates Association

American Consulting Engineers Council

Portland Cement Association

National Ready Mix Concrete Association

American Road and Transportation Builders Association

National Asphalt Pavement Association

Associated Builders and Contractors

Construction Industry Manufacturers Association

National Stone Association

February, 1989

A GAS TAX INCREASE FOR DEFICIT REDUCTION-- AN EASY SOLUTION? OR NO SOLUTION AT ALL?

As of the date of this brochure's publication, bipartisan efforts in Congress to prevent a gas tax increase for deficit reduction continue to gain momentum. House Resolution 41, introduced by Glenn Anderson (D-Calif.), Public Works and Transportation Committee Chairman, Rep. John Paul Hammerschmidt (R-Ark.), the committee's Ranking Republican member, and Rep. Bud Shuster (R-Pa.), Ranking Republican on the Subcommittee on Surface Transportation, has 124 cosponsors, and the number of cosponsors continues to grow. The threat of an increase in the federal gas tax for deficit reduction, however, remains great.

Several members of the National Economic Commission, created by Congress to propose deficit reduction methods, have expressed support for this idea. Some editorials have called for increasing the tax by as much as 50 cents, and even one dollar. Besides reducing the deficit, they say, the tax increase would encourage conservation and improve air quality. Others have labeled a gas tax increase as the "easy solution" to the federal deficit.



But what looks like an easy solution is really no solution at all. Indeed, the impact of a gas tax hike--whether by a dime or a dollar--will have severe consequences on our transportation system, our economy, and our freedom of mobility. And because a gas tax increase for deficit reduction would divert funds from vital highway and bridge investment, it would only increase traffic congestion--and therefore would only reduce conservation and aggravate air quality problems.

Consider the following questions and answers concerning the likely impact of such proposals:

WHAT IMPACT WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION HAVE ON THE NATION'S HIGHWAY PROGRAM AND THE USER-FEE CONCEPT THAT FUNDS IT?

Quite simply, any federal fuels tax hike for deficit reduction threatens our nation's highway program. Such a tax would undermine the user fee concept of the gas tax which has been critical to the public's support of the highway program.

Motor fuel taxes have been the primary user fee which has financed the nation's highway program for more than 50 years. At the federal level, the gasoline tax has financed the Interstate and other much-needed federal-aid highway and bridge repair programs. The highway program has been a success due primarily to this dependable, public-supported, user-financing method.

Proposals to increase the gas tax will destroy America's successful highway program because they would break the link of the gas tax as a user fee and therefore destroy the integrity of the Highway Trust Fund which it finances. The American public would no longer be assured of a dependable revenue source to finance vital transportation improvements because the gas tax would be used to finance non-transportation programs.

WOULD A GAS TAX HIKE FOR DEFICIT REDUCTION ACTUALLY REDUCE REVENUES FOR HIGHWAY IMPROVEMENTS?

Raising the tax for deficit rather than transportation needs would divert billions of dollars annually which should be dedicated to improving the condition of our deteriorating highways and bridges.

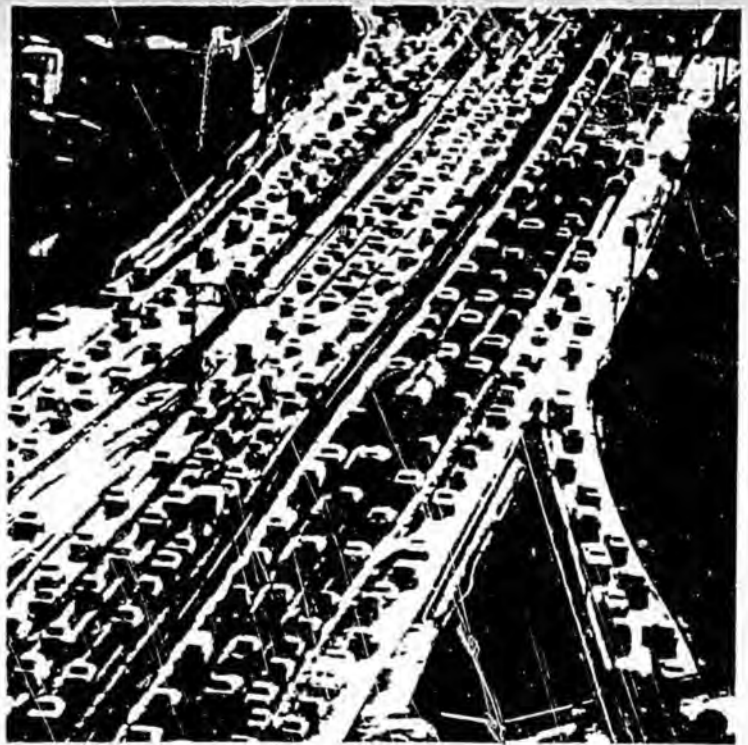
A recent study by the American Association of State Highway and Transportation Officials (AASHTO) estimates that the nation's annual highway capital needs over the next 30 years are nearly double current investment levels. The National Council on Public Works Improvement found that America's transportation network is inadequate to fulfill current requirements and incapable of meeting the demands of future economic growth and development.

Travel conditions are worsening across the nation. Road and bridges are deteriorating rapidly while highway travel is increasing rapidly. At a time when we should be increasing our investment in transportation, along comes a proposal that would take away money from vital highway needs. The likely result is more of what TIME Magazine, in its recent cover story, termed "Gridlock"—a crisis in transportation that is costing Americans dearly in lost productivity, wasted fuel, and increased irritation caused by inadequate highways.

IS A GAS TAX INCREASE FOR DEFICIT REDUCTION FAIR TO OUR NATION'S MOTORISTS?

Proposals to raise the gas tax for deficit reduction are highly unfair to the nation's motorists. America's road program has not added one dollar to the national deficit. Under the current system, the nine-cent-per-gallon federal gasoline tax goes into the Highway Trust Fund. Funds collected are earmarked for transportation improvements.

Yet every administration since President Lyndon Johnson's has withheld a portion of the taxes paid into the Trust Fund in order to make the total federal budget deficit look smaller than it actually is. The Highway Trust Fund balance has increased to \$14.5 billion, al-



though by law that money can ultimately only be used for transportation improvements.

Motorists are already being treated unfairly because money they have paid into the trust fund is not being spent for vital transportation improvements. Adding a fuel tax for deficit reduction would further undermine the highly successful pay-as-you-go concept of the current federal/state highway program.

American motorists would also be singled out to shoulder the burden of reducing the deficit. By increasing the tax on gasoline for the sole purpose of deficit reduction, highway users would pay considerably more towards the national debt than others.

WOULDN'T A GAS TAX FOR DEFICIT REDUCTION SIMPLY ENCOURAGE GREATER USE OF PUBLIC TRANSPORTATION?

Americans depend on their automobiles. A Federal Highway Administration survey indicates that more than 34 percent of auto travel is for earning a living. More than 30 percent is for family business, and another 30 percent for social and recreational use.

In fact, the United States turns to its private vehicles for more than 80 percent of its trips. The average American has limited options if the cost of driving be-

comes prohibitive. Public transportation can by no means replace the vast majority of driving in this country. This is especially true in rural areas and in smaller cities and suburbs with limited public transportation. It should also be noted that the primary form of commuting is no longer from the suburbs to the city. In fact, most commuters live in one suburb and commute to another. Public transportation and carpooling is highly inadequate to meet the needs of these cross-suburb commuters.

The Highway Trust Fund also is used for public transit improvements and construction. Because the fuel tax for deficit reduction would divert funds from the trust fund, it would also divert funds from public transit.

WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION AFFECT STATE TRANSPORTATION IMPROVEMENT EFFORTS?

A new federal tax on gasoline for deficit reduction would derail many state initiatives for increasing funding for state highway improvement programs. As many as 36 state legislatures are expected to seek increases in their state gasoline taxes in 1989 to fund transportation projects. If a federal gasoline tax for deficit reduction is levied, state legislators will find dwindling support for added state gasoline taxes to meet transportation needs.

In Alaska, for instance, efforts to raise the state's motor fuel tax in 1987 to fund road improvements were halted because of a rumor of a federal gas tax hike. States have few other options other than raising their fuel taxes to raise necessary funds for transportation needs. The states, in general, have used sales and other traditional taxes to their maximum levels. Undermining the ability of states to raise their fuel taxes would remove one of the last viable options states have for raising needed funds for transportation improvements.

Furthermore, if the federal gas tax is increased for deficit reduction, gasoline use would decline, translating into less revenue for the states from existing state gasoline taxes. The National Association of State Budget Offices estimates that state revenue could drop by \$4 billion over the next five years if an additional 10 cents per gallon tax were imposed at the federal level for deficit reduction.

WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION HARM THE ECONOMY?

Increasing the federal gas tax for deficit reduction would drive up the cost of doing business, increase inflation, and harm American businesses in the world marketplace.

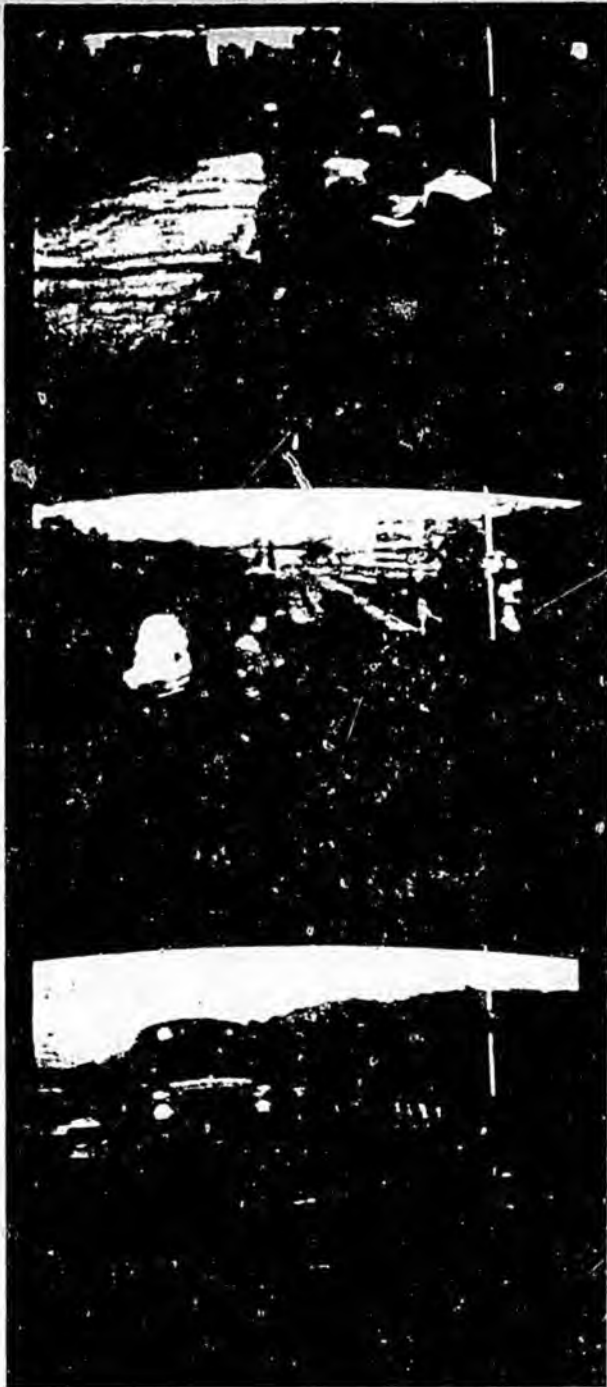
A 10-cent increase in the gasoline tax for deficit reduction would reduce the nation's Gross National Product by nearly \$10 billion, lower automobile production by 1.3 percent, and reduce employment by 80,000 in its first year and by 180,000 in three years, according to Wharton Econometrics Forecasting Associates. A 30-cent increase would put 525,000 people out of work by 1990, Wharton's study found.

Such a tax would most likely be deductible by businesses, resulting in little net gain to the government. But it would be added in the total cost of commodities and services to consumers. This would raise the cost of living and the Consumer Price Index, thus fueling inflation. The trucking industry, which delivers 75 percent of all freight in this country, would face greatly increased operating costs that would translate into higher costs for all types of goods. Industries such as tourism and recreation (vital to many states' economies) would be hard hit by the tax increase.

WHAT OTHER IMPACT WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION HAVE ON OUR ECONOMY?

Because the tax hike would divert funds from highway improvements, it would further impact the overall economy. Federal Reserve Bank of Chicago Senior Economist David Aschauer has documented the correlation between infrastructure investment and the nation's economy. His research shows that the nation's private sector productivity has risen and fallen with its investment in highways, bridges, and all of its public works infrastructure.

Declining spending on our transportation system forces businesses to absorb higher costs and therefore lowers productivity. "A root cause of the decline in the competitiveness of the United States in the internation-



One of the effects of inadequate highway and bridge investment is captured in this television story. As a safety precaution, these schoolchildren must walk across this dilapidated bridge. Once the children are safely across, the bus follows.

al economy," Mr. Aschauer explains, "may be found in the low rate at which our country has chosen to add to its stock of highways, port facilities, airports and other facilities which aid in the production and distribution of goods."

Currently, almost 40 percent of the nation's nearly 575,000 bridges are deficient. By the turn of the century our roads will have to accommodate 60 percent more

traffic. Yet our current levels of funding are insufficient to even maintain current levels of service. And our transportation system is the foundation of our economy.

This is clearly not the time to enact a tax that will take away from our infrastructure investment.

IS A GAS TAX FOR DEFICIT REDUCTION FAIR TO AMERICANS IN ALL REGIONS OF THE COUNTRY?

Motorists in most Western and Southern states, who must drive greater distances, would bear an unfair burden for reducing the federal deficit. These areas generally have little public transportation. Therefore, residents are dependent on their automobiles to get to work, to school, and for all other needs.

The average driver in Wyoming, for example, uses more than twice the amount of gasoline per year than the average driver in the District of Columbia.

Is it fair for residents of that state to pay more than double what the Washington, D.C. driver must pay toward reducing the deficit?

WHAT WOULD A GAS TAX INCREASE FOR DEFICIT REDUCTION MEAN FOR THE NATION'S POOR?

A tax hike for deficit reduction would have its greatest effect on the nation's working poor. Low income people spend a higher percentage of their income on fuel than others.

Studies indicate that those with incomes under \$10,000, many of whom drive older, less fuel efficient cars, pay as much as 700 percent more for gasoline as a percentage of their income than those in high income groups.

Former Federal Highway Administrator Ray Barnhart notes that it is ironic that at the same time as public attention has been focused on proposals to increase the minimum wage and to fund day care for the poor, "Now comes an effort in Washington to compound the fiscal hardship on these same people by imposing a new gas tax which would fall most heavily on them."

WOULD A GAS TAX FOR DEFICIT REDUCTION UNDO THE BENEFITS OF TAX REFORM?

Increasing the federal gasoline tax for deficit reduction would undo the benefits of the Tax Reform Act of 1986. The act was designed to more fairly distribute the nation's tax burden, reduce taxes for low- and middle-income people, and take some of the poor off the tax rolls entirely.

Because a gas tax for deficit reduction would be regressive, an increase would reduce much of the benefits of tax reform to lower income people. The Tax Reform Act cut taxes by \$414 million for those with incomes under \$10,000.

A gas tax increase for deficit reduction of only one cent per gallon would reduce this benefit by \$99 million. Since most gas tax increase proposals are for much more than one cent per gallon, it is clear that the poor would not only lose the benefits they gained by tax reform--but would be saddled with a large new tax burden.

DO AMERICANS SUPPORT A GAS TAX HIKE FOR DEFICIT REDUCTION?

The vast majority of Americans oppose raising the gasoline tax for deficit reduction. A 1987 *Washington Post-ABC News* poll found 73 percent of Americans against it. A *Newsweek* poll confirmed that 77 percent of Americans were against raising the gasoline tax by 10 cents per gallon. A November, 1988 Media General-Associated Press poll showed three-quarters of Americans opposed to such a tax, while a January, 1989 *TIME Magazine* poll showed 72 percent of Americans opposed.

BUT WON'T A TAX HIKE FOR DEFICIT REDUCTION SIGNIFICANTLY REDUCE THE DEFICIT?

A recent study by Data Resources Inc.--a private consulting group--found that a new federal tax on motor fuels for deficit reduction would have little success in reducing the federal deficit. Because of the detrimental effect of the tax on the economy, the deficit would be

cut by only 27 cents for every dollar of tax raised, on average, over a five-year period.

The Wharton Econometrics study finds that an increase in the federal gasoline tax would produce some revenues for deficit reduction, but far short of the projections offered by the supporters of the tax increase.

The study explains that while the tax would raise revenues, it would also reduce economic activity and increase federal transfer payments such as unemployment insurance and food stamps.

WOULD A GAS TAX FOR DEFICIT REDUCTION HAVE ANY EFFECT ON HIGHWAY SAFETY?

Because a gas tax increase for deficit reduction would undermine federal and state highway and bridge improvement efforts, it would reduce safety on our nation's highways. A recent Transportation Research Board report explained that resurfacing and widening roads can reduce head-on collisions by as much as 55 percent and single-car accidents by as much as 51 percent.

WHAT EFFECT WOULD A GAS TAX FOR DEFICIT REDUCTION HAVE ON ENERGY CONSERVATION?

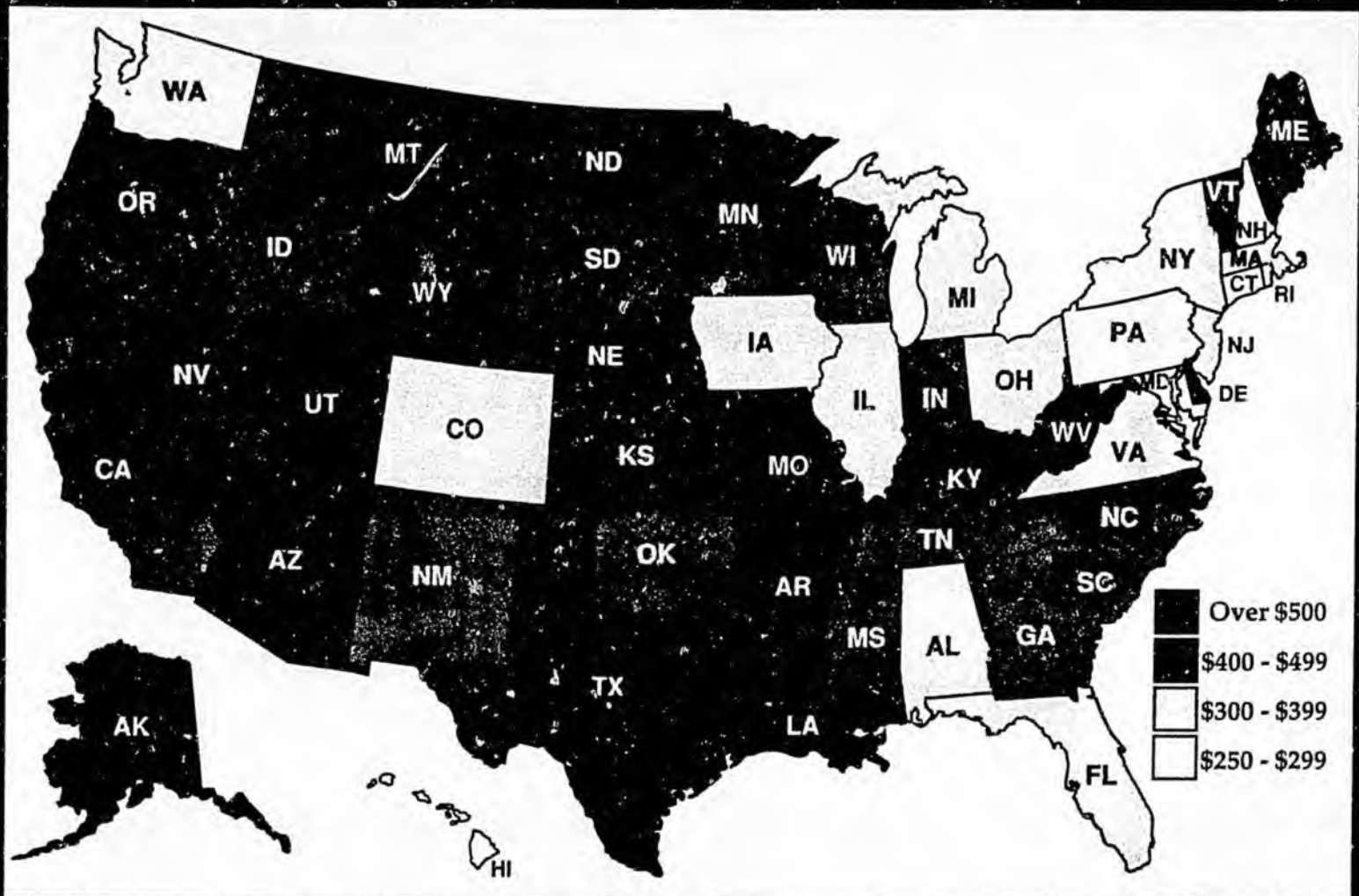
By diverting funds from needed highway and bridge improvements, a gas tax for deficit reduction would only increase road congestion and therefore decrease energy conservation. It is estimated that nearly 10 billion gallons of gasoline can be conserved each year by simply improving the surface conditions of our current road system.

HOW DO I FIGHT THIS UNFAIR, COUNTERPRODUCTIVE TAX HIKE?

You are encouraged to contact your Senators and Representative to let them know how you feel about any effort to increase fuel taxes for deficit reduction. Address your letters to: The Hon. _____, United States Senate, Washington, DC 20510 or The Hon. _____, U.S. House of Representatives, Washington, DC 20515. The phone number for the Capitol switchboard is (202) 224-3121.

AVERAGE ANNUAL TAX INCREASE

PER AUTOMOBILE, BY STATE, AS A RESULT OF A 50 CENT PER GALLON GASOLINE TAX FOR DEFICIT REDUCTION



Source: Federal Highway Administration

Total state gasoline use divided by registered private and commercial automobiles and multiplied by 50 cents.

POSITION PAPER
A.G.C. of ALASKA
TO THE
HOUSE TRANSPORTATION COMMITTEE
ON
HJR 15
INCREASE IN FEDERAL MOTOR FUEL TAXES AND THE USE OF FUEL TAXES
TO REDUCE THE FEDERAL BUDGET DEFICIT.



THANK YOU MS. CHAIRMAN. FOR THE RECORD, MY NAME IS RESA JERREL AND I AM THE DIRECTOR OF GOVERNMENTAL RELATIONS FOR THE ASSOCIATED GENERAL CONTRACTORS OF ALASKA (A.G.C. OF ALASKA). ON BEHALF OF OUR OVER 600 MEMBER FIRMS WE APPRECIATE THE OPPORTUNITY TO TESTIFY IN FAVOR OF HJR 15.

THE PROPOSAL TO INCREASE THE FEDERAL GASOLINE TAX FOR DEFICIT REDUCTION WOULD SEVERELY HAMPER THE NATIONS ABILITY TO MEET ITS TRANSPORTATION NEEDS AND WOULD ADVERSELY AFFECT THE NATION'S PRODUCTIVITY AND COMPETITIVENESS. SUCH A TAX WILL SURELY DESTROY THE NATIONS SUCCESSFUL HIGHWAY PROGRAM. NOT ONLY WILL IT BREACH THE USER FEE CONCEPT OF THE GAS TAX, IT WOULD COME AT A TIME WHEN WE SHOULD BE INCREASING OUR INVESTMENT IN HIGHWAYS.

A.G.C. OF ALASKA OPPOSES A FUEL TAX INCREASE FOR DEFICIT REDUCTION FOR THE FOLLOWING REASONS:

HIGHWAY AND BRIDGE NEEDS - RAISING THE GAS TAX FOR DEFICIT REDUCTION WOULD DIVERT BILLIONS OF DOLLARS ANNUALLY FROM THE HIGHWAY TRUST FUND WHILE THE CONDITION OF OUR HIGHWAYS AND BRIDGES CONTINUE TO DECLINE. FURTHERMORE, IT WOULD COME AT A TIME WHEN WE SHOULD BE INCREASING OUR INVESTMENT IN HIGHWAYS.

BREACH USER FEE CONCEPT - SUCH A TAX WOULD BREACH THE USER FEE CONCEPT OF THE GAS TAX WHICH HAS BEEN CRITICAL TO THE PUBLIC'S SUPPORT OF THE HIGHWAY PROGRAM.

PREEMPTS STATE TAXES - THE TAX WOULD UNDERMINE STATE EFFORTS TO FINANCE THEIR OWN TRANSPORTATION NEEDS THROUGH USER FEE TAXES.

UNFAIR TAXATION - AMERICAN MOTORIST WOULD BE SINGLED OUT TO SHOULDER THE BURDEN OF REDUCING THE DEFICIT.

ALASKA INEQUITIES - MOTORIST IN ALASKA STATES, IN PARTICULAR, WHERE DRIVING DISTANCES ARE GREATER, WOULD BE HIT ESPECIALLY HARD BY THE TAX.

HIGHWAYS PAY THEIR WAY - THE NATION'S HIGHWAY TRANSPORTATION SYSTEM HAS NOT CONTRIBUTED TO THE NATIONAL DEFICIT. THE FEDERAL HIGHWAY TRUST FUND IS REQUIRED BY CONGRESS ALWAYS TO HAVE ENOUGH FUNDS TO COVER EXPENDITURES.

WE URGE ALL OF YOU TO SUPPORT HJR 15 AND HELP IN EXPEDITING IT'S PASSAGE.

THANK YOU FOR THIS OPPORTUNITY SPEAK OUT IN FAVOR OF THE RESOLUTION.

AGC

NEWS RELEASE

For additional information:
William Henry
(202) 393-2040



THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA • 1957 E STREET, N.W.
WASHINGTON, D.C. 20006 • (202) 393-2040

FOR IMMEDIATE RELEASE

FEBRUARY 2, 1989

AGC PRESIDENT SUPICA SALUTES 110 COSPONSORS OF H.RES. 41 OPPOSING
A GAS TAX HIKE FOR DEFICIT REDUCTION

WASHINGTON, D.C. -- Associated General Contractors of America (AGC) President Jim Supica saluted the 110 cosponsors of House Resolution 41 which opposes proposals to increase the nation's fuel tax for deficit reduction.

"Many members of the House Public Works Committee, and other representatives deeply involved in the nation's vital transportation programs, understand the devastating effect such a tax would have on our highways and bridges," Mr. Supica said. "They are showing their concern, in part, by cosponsoring H. Res. 41 opposing a federal gas tax increase for deficit reduction."

In a recent letter to all members of Congress, President Supica explained that such a tax "would severely hamper this nation's ability to meet its transportation needs and would adversely affect this nation's productivity and competitiveness." He urged Congress to reject any such proposal.

Mr. Supica pointed to a recent study by the American Association of State Highway and Transportation Officials which estimates that the nation's annual highway capital needs over the next 30 years are nearly double current investment levels. "In light of this study," Mr. Supica said, "a tax on gasoline for deficit reduction will surely destroy the nation's successful highway program. Not only will it breach the user fee concept of the gas tax...it would come at a time when clearly we should be increasing our investment in highways."

-more-

AGC is... 8,500-plus General Cc
Employees... \$150 Billion-plus Ma.
commercial buildings, highways,
of

NEWS RELEASE - A.G.C.

Firms... 3,500,000-plus
's contract construction of
and more than 50 percent

The nation's highway program is financed through user fees, in the form of state and federal gasoline taxes, Mr. Supica explained. "Taxing gasoline for deficit reduction will surely preempt any state's ability to avail of this key revenue source to meet ever increasing needs." Mr. Supica also reiterated his call for the \$15 billion Highway Trust Fund balance to be used for its intended purpose rather than for masking the deficit.

Mr. Supica explained that AGC opposes a fuel tax increase for deficit reduction for the following reasons:

Highway and bridge needs--Raising the gas tax for deficit reduction would divert billions of dollars annually from the Highway Trust Fund while the condition of our highways and bridges continues to decline. Furthermore, it would come at a time when we should be increasing our investment in highways.

Breach user fee concept--Such a tax would breach the user fee concept of the gas tax which has been critical to the public's support of the highway program.

Preempts state taxes--The tax would undermine state efforts to finance their own transportation needs.

Unfair taxation--American motorists would be singled out to shoulder the burden of reducing the deficit.

Regional inequities--Motorists in Western states, in particular, where driving distances are greater, would be hit especially hard by the tax.

###

NATIONAL

NEWSLETTER



January 19, 1989

Route to _____

Volume 41, Number 3

GAS TAX FOR DEFICIT REDUCTION—MAJOR THREAT TO THE NATION'S HIGHWAY PROGRAM

AGC continues its efforts to protect the nation's highway program from a very real possibility and threat—a gasoline tax increase for deficit reduction.

During a January 18 meeting of industry groups opposed to such a tax, held at AGC of America, Rep. Bud Shuster (R-Pa.) said that the possibility of a gas tax for deficit reduction is the greatest threat he's ever seen to the nation's highway program.

Explaining that the federal government is not even spending badly needed dollars which have accumulated in the Highway Trust Fund, Rep. Shuster said adding a gas tax for deficit reduction would further harm efforts to improve the highway system. Rep. Shuster, Rep.



Rep. Bud Shuster

Glenn Anderson (D-Calif.), Public Works and Transportation Committee Chairman, and Rep. John Paul Hammerschmidt (R-Ark.), the committee's Ranking Republican member, today introduced a resolution, H.R. 41, opposing any efforts to increase the gas tax for deficit reduction. The resolution has 61 original cosponsors. Last week, AGC President Jim Supica called on Congress to reject a gas tax increase for deficit reduction. In a letter to all members of Congress, President Supica said such a tax "would severely hamper this nation's ability to meet its transportation needs and would adversely affect this nation's productivity and competitiveness."

Growing Opposition To Gas Tax For Deficit Reduction... As many industry and consumer groups have mobilized opposition to a gas tax for deficit reduc-

tion, media coverage opposing such a tax has grown. In a recent column in the *Washington Times*, for instance, former Federal Highway Administrator Ray Barnhart said that "While deficit reduction is clearly a worthy national priority, it should not blind us to the overwhelmingly negative impact this tax would have" on America's deteriorating road infrastructure.

"IT IS IMPERATIVE THAT AGC MEMBERS URGE THEIR REPRESENTATIVE TO COSPONSOR HOUSE RESOLUTION 41 OPPOSING A GAS TAX FOR DEFICIT REDUCTION"--AGC PRESIDENT SUPICA

A FUEL TAX INCREASE FOR DEFICIT REDUCTION—NO SOLUTION

With pressure mounting to reduce the federal budget deficit, the threat of an increase in the federal fuel tax for deficit reduction has never been greater.

Some have embraced the idea as the "easy solution" to the federal deficit. But what looks like an easy solution is really no solution at all. In fact, the tax would have severe consequences on America's transportation system, the economy, and freedom of mobility.

continued on page 2

GAS TAX from page 1

A gas tax increase for deficit reduction would:

- Only reduce the federal deficit by 27 cents for every dollar of tax raised.
- Threaten the nation's highway program by destroying the user fee concept of the gas tax.
- Divert billions of dollars annually from highways at a time when increased infrastructure investment is desperately needed.
- Single out the nation's motorists to shoulder the burden of reducing the deficit.
- Derail many state initiatives for increasing funding for state highway and bridge improvements.
- Drive up the cost of doing business, increase inflation and harm American businesses in the world marketplace.
- Take away from infrastructure investment, thus further harming the economy.
- Place the heaviest burdens on rural Americans and on the poor.
- Undo many beneficial aspects of tax reform.



A Coalition of industry groups opposed to a gas tax increase for deficit reduction mapped strategy during a recent meeting at AGC headquarters. Rep. Bud Shuster is speaking. The meeting was also addressed by AGC Legislative Committee Chairman Doug Pitcock.

NATIONAL

NEWSLETTER



January 12, 1989

Route to _____

Volume 41, Number 2

AGC PRESIDENT SUPICA TO 101ST CONGRESS: PROTECT AMERICA'S TRANSPORTATION SYSTEM - REJECT A GAS TAX HIKE FOR DEFICIT REDUCTION

Despite published reports to the contrary, a fuel tax increase for deficit reduction is a very real possibility, and a very real threat to the nation's transportation network, according to AGC President Jim Supica. In a letter to all members of Congress, President Supica explained this week that such a tax "would severely hamper this nation's ability to meet its transportation needs and would adversely affect this nation's productivity and competitiveness."

He urged Congress to reject any such proposal. Mr. Supica pointed to a recent study by the American Association of State Highway and Transportation Officials which estimates that the nation's annual highway capital needs over the next 30 years are nearly double current investment levels. "In light of this study," Mr. Supica said, "a tax on gasoline for deficit reduction will surely destroy the nation's successful highway program. Not only will it breach the user fee concept of the gas tax...it would come at a time when clearly we should be increasing our investment in highways."



The nation's highway program is financed through user fees, in the form of state and federal gasoline taxes, Mr. Supica explained. "Taxing gasoline for deficit reduction will surely preempt any state's ability to avail of this key revenue source to meet ever increasing needs." Mr. Supica also reiterated his call for the \$15 billion Highway Trust Fund balance to be used for its intended purpose rather than for masking the deficit.

CONTACT YOUR SENATORS AND REPRESENTATIVE

Let your Senators and Representative know your opposition to any proposals to increase federal fuel taxes for deficit reduction. Address your letters to: The Hon. _____, United States Senate, Washington, DC 20510 or The Hon. _____, U.S. House of Representatives, Washington, DC 20515. The phone number for the Capitol switchboard is (202) 224-3121.

WHY AGC OPPOSES A GAS TAX INCREASE FOR DEFICIT REDUCTION

- Highway and bridge needs--Raising the gas tax for deficit reduction would divert billions of dollars annually from the Highway Trust Fund while the condition of our highways and bridges continues to decline. Furthermore, it would come at a time when we should be increasing our investment in highways.
- Breach user fee concept--Such a tax would breach the user fee concept of the gas tax which has been critical to the public's support of the highway program.
- Preempts state taxes--The tax would undermine state efforts to finance their own transportation needs.
- Unfair taxation--American motorists would be singled out to shoulder the burden of reducing the deficit.
- Regional inequities--Motorists in Western states, in particular, where driving distances are greater, would be hit especially hard by the tax.

Page 1

H J R

49

DATE: 4/2/90

FURTHER: Finance

DATE TURNED INTO OFFICE: 4-10-90

Transportation

Committee considered

HJR 49

Supporting construction of road access to the City of Whittier.

and recommended:

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

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

appropriation-no fiscal note(s)

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) House (DOTPF)

Governor's bill w/fiscal note

SIGNING DO PASS:

[Handwritten signatures]

OTHER RECOMMENDATIONS:

[Handwritten signature: David Jones (Do Pass)]

Chair: Signature and Recommendation

Alaska State Legislature



While in Session
P O Box v
State Capitol
Juneau, Alaska 99811
465 4859

P O Box 2463
Valdez, Alaska 99686
835-2695

Representative Eugene Kubina

MEMORANDUM

TO: SENATE TRANSPORTATION COMMITTEE MEMBERS
FROM: REPRESENTATIVE GENE KUBINA *E. Kubina*
RE: HJR 49
DATE: APRIL 6, 1990

HJR 49: Supporting Construction of Road Access to the City of Whittier.

HJR 49 request the U. S. Forest Service to give the necessary permission for the construction of a road across the Chugach National Forest. As you can see from the map, the road is designed to be constructed around the first tunnel. While this design is the most feasible and economical, it does require access across land owned by the Chugach National Forest.

This access is necessary for the construction of the Toll Road to the City of Whittier, that is addressed in HB 311. HB 311 has passed both the House and Senate.

Thank you for your consideration.

— DISTRICT SIX —

• Chenega Bay • Chitina • Cooper Landing • Cordova • Hope • Moose Pass • Seward • Tatitlek • Valdez • Whittier •



REQUEST: FISCAL NOTE

Revision Date:
Title: Supporting construction of road
access to Whittier.
Sponsor: Cato
Requestor: Kubina

Agency Affected: DOT&PF
BRU:
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: Fiscal impact of a road to Whittier is discussed in CSHB 311.

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

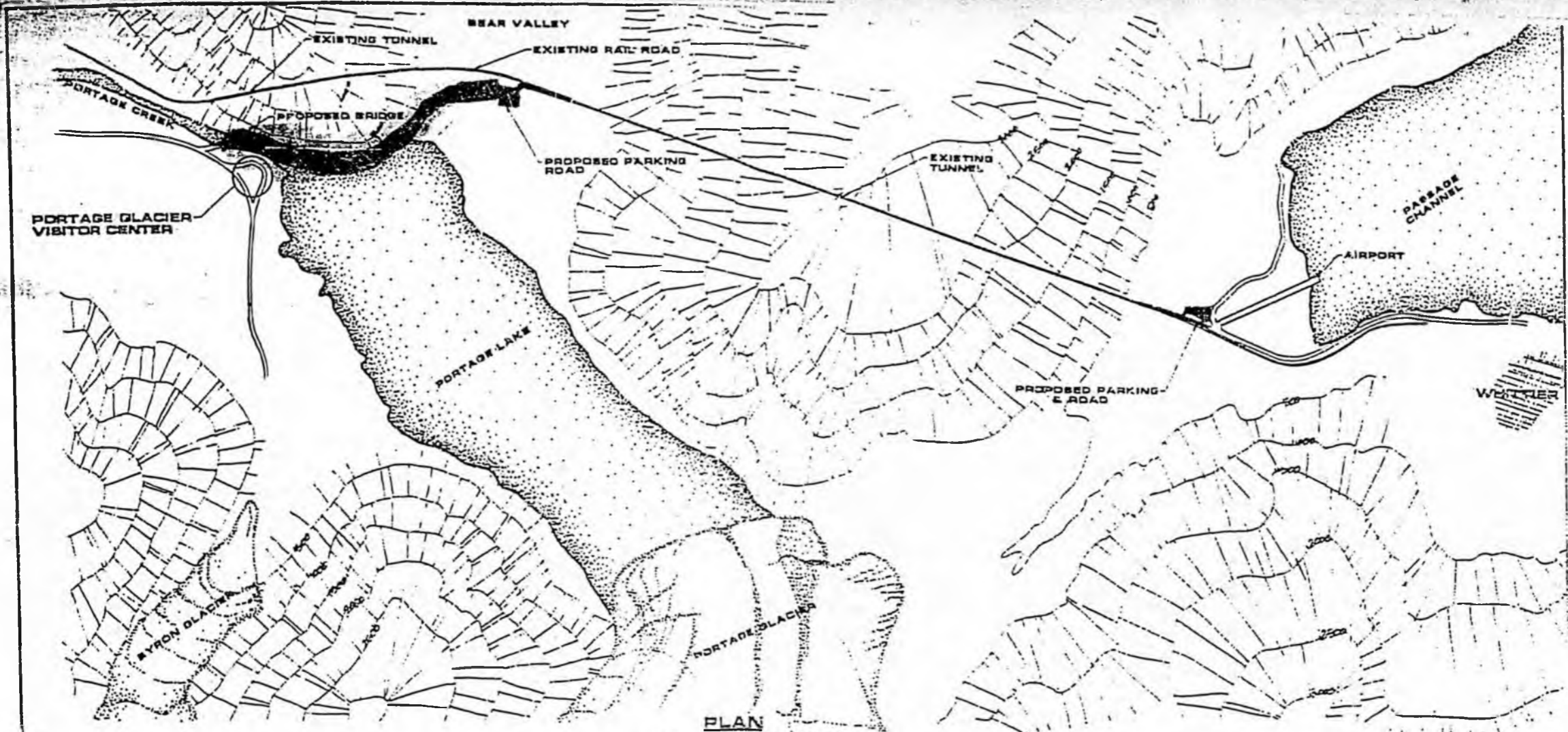
Phone: 465-3900
Date: February 21, 1990

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

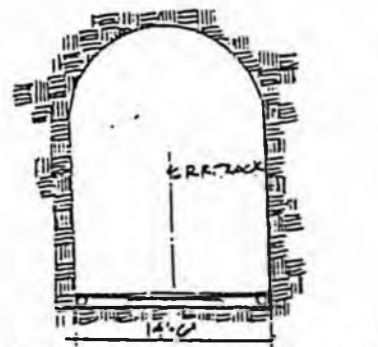
Date: 2/21/90

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

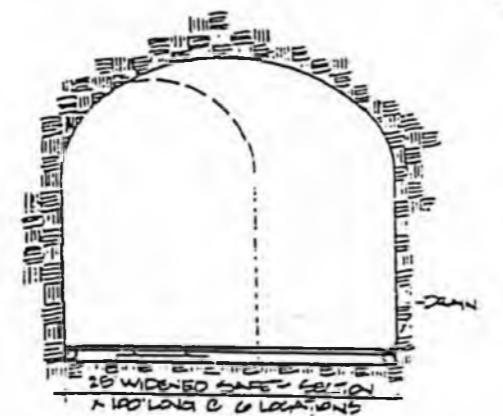
page 1 of 1



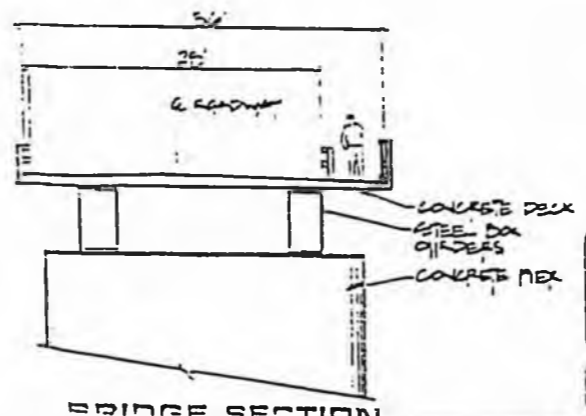
PLAN
 1" = 100' HORIZONTAL SCALE
 1" = 20' VERTICAL SCALE



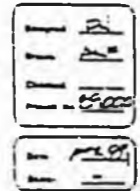
EXISTING RAILROAD



WIDENED TUNNEL SECTION



BRIDGE SECTION



WHITTIER TUNNEL

Peratrovich, Nottingham & Drage, Inc.
Engineering Consultants

1508 West 38th Avenue,
Anchorage, Alaska 99503

(907) 561-1011

CONCEPT PLAN

7-1

H J R

79

MAR 08 1990

DATE: 3/8/90

FURTHER:

DATE TURNED INTO OFFICE: 4-10-90

Transportation Committee considered
Relating to air service in rural Alaska.

CS HJR 79 (Sup)

and recommended:

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

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):
Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

APPROVES PREVIOUS:
Dept/Date:

fiscal note(s) _____

zero fiscal note(s) House Resp Com to

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Februnberg Notes

[Signature] [Signature] (Do Pass)
Chair: Signature and Recommendation

ALASKA STATE LEGISLATURE

Representative Eileen Panigeo MacLean
P.O. Box 290
Barrow, Alaska 99723



Chairman
Community & Regional Affairs
Committee

Vice-Chairman
State Affairs Committee
Bush Caucus

Member Finance Subcommittee
Community & Regional Affairs
Education
Corrections

WHILE IN JUNEAU
Box V
Juneau, Alaska 99811
485-4525
485-4833

HOUSE OF REPRESENTATIVES

District 22
Ambler
Anaktuvik Pass
Atkasuk
Barrow
Buckland
Deering
Kaktovik
Kiana
Kivalina
Kobuk
Kotzebue
Noatak
Noorvik
North Slope
Borough
Northwest Arctic
Borough
Nulqaut
Point Hope
Point Lay
Selawic
Shungnak
Wainwright

April 6, 1990

Lloyd Jones
Honorable Lloyd Jones, Chairman
Senate Transportation Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Re: CSHJR 79 (Transportation)

Dear Senator Jones,

Thank you for scheduling a hearing of HJR 79, "Relating to essential air service to rural Alaska."

I introduced the measure out of concern over the effect of rising costs on the availability of essential air service to rural Alaska.

Many rural Alaskans rely on air service for basic survival and for medical services. For many rural Alaskans, air service is the only means of traveling in the state.

Compiling a history of the costs of air service is not an easy task. Airlines are none too eager to share that kind of information.

Based on my personal experience, however, I can relate to you the costs of flying from my hometown of Barrow. In 1982, a one-way ticket from Fairbanks to Barrow cost \$147. Today, it costs \$278 -- a 90% increase.

In August 1988, a round-trip ticket from Anchorage to Barrow cost \$666. Today, it costs \$748 -- a 12% increase.

Since HJR 79 was heard in the House Transportation Committee on February 22nd, the price of a round-trip supersaver from Anchorage to Kotzebue alone has gone up from \$348 to \$360.

Letter to Senator Jones
April 6, 1990

Page 2

I'm sure you have similar anecdotes worth hearing.

Since regulation of the airline industry would fall under the purview of the federal government, the resolution requests Congress and the United States Department of Transportation to examine the costs of air service in context with federal deregulation.

Perhaps a federal examination will demonstrate that the increased costs of air fares have been justified. We will never know, however, until such an examination takes place.

I urge your and your members' support of CSHJR 79 (TRSP).

Again, thank you for scheduling a hearing of the resolution.

Respectfully, *Thanks*

Rep. Eileen P. MacLear

Rep. Eileen Panigeo MacLear

FISCAL NOTE

REQUEST: _____

Revision Date: _____
Title: HJR 79 - "Relating to essential
air service"
Sponsor: Rep. Maclean
Requestor: _____

Agency Affected: DOT
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 | FY 95 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| 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 | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: W. G. Muller
Division: House Transportation
Approved by Commissioner: Richard Steyer
Agency: House Transportation Committee

Phone: 465-6858
Date: 2/22/90
Date: 2/22/90

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

DOT/PF Fiscal note

HOUSE CALENDAR:

WEDNESDAY, MARCH 7, 1990

BILL HISTORY - HOUSE ACTION:

HJR 79

February 12, 1990 House Journal

HOUSE JOINT RESOLUTION NO. 79 by Representative MacLean:
Relating to essential air service to rural Alaska.
was read the first time and referred to the Transportation
Committee.

March 2, 1990 House Journal

The Transportation Committee has considered:
HOUSE JOINT RESOLUTION NO. 79 by Representative MacLean:
Relating to essential air service to rural Alaska.
recommends it be replaced with:
CS FOR HJR 79 (Transportation)
Relating to air service in rural Alaska.
Recommending do pass (3): Foster, Kubina, Grussendorf
Signing no recommendation (2): Hudson (Acting Chairman),
Leman
A new zero fiscal note, by the Transportation Committee,
published today, was attached to the bill.

Bill History - House Action

by H. Rules Cmte.

February 22, 1990 Transportation Committee Meeting

Representative MacLean provided an overview on HJR 79. She stated her main reason for introducing this legislation was to address the high cost of air transportation in Alaska. This resolution requests the Congress and the federal Department of Transportation to look at the Essential Air Service Program as a means of helping offset some of these high costs. Rep. MacLean read from written testimony which is included with the minutes.

The sponsor requested the House Transportation Committee amend HJR 79 to address the concerns expressed by the Department of Transportation.

Rep. Leman asked what these concerns were. Rep. MacLean explained that Alaska currently receives federal funding under the Essential Air Service program. In 1987, the Essential Air Service Program was reduced significantly and funding for many states was discontinued. Alaska, Hawaii and the Pacific points were exempted from these cutbacks. The department believes that if we bring attention to this fact, we may jeopardize the program.

Rep. MacLean emphasized her desire to see the committee rework this resolution to address the rising costs of airline travel in Alaska without jeopardizing the Essential Air Service Program. The sponsor also requested the committee to initiate a study analyzing the rising costs of air service in Alaska over the past five years. The recommendations in this report should suggest methods of dealing with this problem.

Jennifer Olendorf, administrative assistant for Rural Airports, Department of Transportation, provided background information on the program. A copy of her testimony has been included.

Rep. Kubina asked if anybody had any specific ideas on how to amend this resolution. Rep. MacLean stated she would be happy to work with the committee to address the concerns.

Rep. Foster informed members that HJR 79 would be held in committee and staff will work with the sponsor to draft suitable language for a committee substitute.

March 1, 1990 Transportation Committee Meeting

Christopher Clark spoke on behalf of Rep. MacLean. Mr. Clark stated that the sponsor supported the committee substitute proposed by the House Transportation Committee. Acting Chairman Hudson identified the changes in the committee substitute. Lines 14-21 were added along with two new "whereas" clauses. He asked if there were any objections to adopting the CS. Hearing no objections, the CS for HJR 79 was adopted.

Rep. Leman MOVED CS HJR 79 out of the House Transportation Committee with INDIVIDUAL RECOMMENDATIONS. Hearing no objections, it was so ordered.

Acting Chairman Hudson then asked members to review the

resumes of the two persons requiring confirmation by the committee. The Acting Chairman then outlined the resume of Captain Michael J. O'Hara and asked if there were any objections to the confirmation of this appointment. Hearing none, Rep. Hudson confirmed the House Transportation Committee's endorsement of Mr. Michael J. O'Hara for appointment to the Board of Marine Pilots. The committee then took up the next confirmation. Debbie Tilsworth's appointment to the Railroad Labor Relations Agency was reviewed by the members. Rep. Hudson again outlined the qualifications of the appointee and asked if there were any objections to this appointment. Hearing none, Acting Chairman Hudson confirmed the House Transportation Committee's endorsement of Debbie Tilsworth for appointment to the Railroad Labor Relations Agency. There being no further business to come before the House Transportation Committee, Acting Chairman Hudson adjourned the meeting at 8:37 a.m.

HOUSE COMMITTEE REPORT

3/2
Rules

(5)

Date Referred: February 12, 1990

FURTHER REFERRALS:

Date of Committee Action: 3/1/00

The TRANSPORTATION Committee considered:

HJR 79

HOUSE JOINT RES. NO. 79

ESSENTIAL AIR SERVICE TO RURAL ALASKA

Relating to essential air service to rural Alaska.

RECOMMENDATIONS:

- be replaced with CS HJR 79 (Imp) the same title
- have attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
- zero fiscal note H. Imp
- zero with analysis _____
- fiscal note(s) _____
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not
PASS No Rec Amend

| | | | | |
|-------------------------------------|-------------------------------|-------------------------------------|--------------------------|--------------------------|
| <u>Eugene Miller</u> RUBINA | <u>William A. Lemay</u> LEMAY | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>Bill Grussendorf</u> GRUSSENDORF | <u>Bill Hudson</u> HUDSON | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <u>Richard Foster</u> FOSTER | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Bill Hudson (Acting)
Chairman's Signature (ACTING)

ESSENTIAL AIR SERVICE

Essential Air Service (EAS) is a U.S. Department of Transportation (U.S. DOT) program for subsidizing air service to generally smaller communities which would not otherwise receive scheduled air service. The U.S. DOT, under this program, makes payments to air carriers to provide EAS to communities determined by the U.S. DOT, using criteria mandated by statute, to be eligible for this service. Generally, carriers, unless they are subsidized, would not provide scheduled air service to certain EAS communities because these communities do not generate sufficient numbers of passengers at fares that cover carrier costs. The U.S. DOT authorizes subsidy for a carrier to provide EAS only when no carrier is willing or able to provide the required level of service without subsidy support.

In 1978, when the Airline Deregulation Act (ADA) took effect, 746 communities in the United States and its territories were listed on air carrier certificates issued under Section 401, Federal Aviation Act. Prior to deregulation, most of these communities were assured a minimum level of air service. In light of the ADA's provisions allowing air carriers to terminate service without prior Government approval, there was concern that communities that generated low traffic levels would lose service as carriers withdrew to larger, more lucrative markets. To address this concern, as part of the ADA the Congress added Section 419 to the Federal Aviation Act, which ensured that these communities would continue to receive EAS for ten years, with Federal subsidy if needed.

Under this program, U.S. DOT determines the minimum level of EAS that these communities require. U.S. DOT will provide subsidy to an air carrier, if necessary, to assure that this minimum level of service is provided. Of the approximately 208 communities for which EAS determinations have been issued in Alaska, 41 communities receive service that is supported by an EAS subsidy.

U.S. DOT - Essential Air Service (EAS)

The ten year service period designated by the Airline Deregulation Act of 1978 was scheduled to terminate on October 24, 1988. However, Congressional interest in ensuring continued service to these communities remained strong, and prior to the expiration date, legislation was enacted (attached) expanding the EAS program and extending it for ten additional years.

In the 1987 legislation, which became effective October 1, 1988, Congress provided for a continuation of EAS guarantees, termed "Basic EAS". Under Basic EAS, any point was to be provided ten more years of basic service if it was (1) eligible for service under the earlier program, (2) actually receiving service during any part of Fiscal Year 1988, and (3) situated at least 45 miles from the nearest "hub" airport -- now defined as an airport enplaning annually at least 0.25% of all enplanements in the United States. Certain other service upgrades were also mandated, such as general employment of aircraft having at least 15 passenger seats, and use of pressurized aircraft if the flight normally flies higher than 8,000 feet above sea level. For Alaska however, the 1987 Act contains language which allows for the use of smaller aircraft to provide service, provided that the community agrees in writing with the U.S. DOT.

The 1987 legislation also established two forms of service enhancement, by which communities could receive more service than basic EAS by (1) agreeing to a subsidy-sharing commitment or by (2) risking loss of basic service if U.S. DOT-funded enhanced service failed to meet agreed levels of passenger usage. The new legislation also provided that any community not entitled to Basic EAS might agree with U.S. DOT on a reasonable service level and receive service as a "new point" on a subsidy-sharing basis.

Under the new Act, each EAS point currently receiving service must be re-evaluated to determine the adequacy of both service and subsidy. At this point, only a handful of Alaskan EAS points have been addressed and it appears that it may be six months until all

points have been re-evaluated. Until that time, service and subsidies as stipulated under the current agreement between the carrier and the U.S. DOT will continue.

In FY89, a \$6.6 million supplemental appropriation was required to fully fund the FY88 service levels. Although ultimately passed by the legislature, the need for a supplemental appropriation was heatedly debated in Congress.

In FY90, Congress appropriated \$30.6 million for the EAS program, which is \$3.4 million less than required to continue the current program. The House and Senate gave the U.S. DOT discretion to alter the eligibility requirements of the program to accommodate the funding shortfall.

The U.S. DOT has responded to the reduced funding levels by limited subsidized service to 1) communities 70 road miles or more from the nearest large or medium hub airport, 2) 55 road miles or more from the nearest small hub airport, or 3) 45 road miles or more from the nearest non-hub airport. Communities in the last category must have historically enplaned at least 100 passengers per day and the subsidy must not now exceed \$200/passenger. Twenty communities in the lower 48 lost subsidized EAS as a result of the modifications to the eligibility requirements.

Alaska, Hawaii and the Pacific points were exempted from the recent cutbacks in view of their reliance on essential air service and in recognition of a lack of alternate modes of transportation available to these remote communities. Should funding reductions occur in future years, however, Alaska may be evaluated for service reductions.

SAMPLE AIR FARES

As of February 22, 1990

Communities served by MarkAir:

-- Anchorage to Barrow:

One-way: \$374
Roundtrip: \$748

-- Anchorage to Unalakleet:

One-way: \$197
Roundtrip: \$394

-- Anchorage to Bethel:

One-way: \$178
Roundtrip: \$356

-- Anchorage to Dillingham:

One-way: \$186
Roundtrip: \$336

-- Anchorage to Kodiak:

One-way: \$155
Roundtrip: \$280

Communities served by Alaska Airlines:

-- Anchorage to Kotzebue:

If tickets were bought seven days in advance:

Supersaver Roundtrip: \$348

If tickets were bought fourteen days in advance:

Supersaver Roundtrip: \$326

Rural airfares & subsidies

-- Anchorage to Nome:

If tickets were bought seven days in advance:

Supersaver Roundtrip: \$348

If tickets were bought fourteen days in advance:

Supersaver Roundtrip: \$326

ALASKAN POINTS CURRENTLY RECEIVING 419 SUBSIDIZED SERVICE

| | | |
|--|------------------------------|----------------------------|
| NIKOLSKI (UMNAK ISLAND) | ALEUTIAN AIR, LTD. | \$39,570 |
| ✓ CORDOVA GUSTAVUS ✓ PETERSBURG ✓ WRANGELL ✓ YAKUTAT | ALASKA AIRLINES, INC. | \$1,414,021 |
| BOSWELL BAY CAPE YAKATAGA ICY BAY | CHITINA AIR SERVICE | \$109,384 |
| CHISANA CENTRAL CIRCLE | 40 MILE AIR, LTD. | \$55,466 |
| NYAC | RYAN AIR SERVICE, INC. | (???) |
| ✓ SAND POINT ✓ PORT HEIDEN PERRYVILLE IVANOFF BAY ✓ KING COVE FALSE PASS | REEVE ALEUTIAN AIRWAYS, INC. | \$1,241,985 |
| ✓ ATKA ✓ ST. GEORGE | PENINSULA AIRWAYS, INC. | \$ 485,159 |
| ✗ AKHICK ✗ AMOOK BAY ✗ KARLUK ✗ KITOI BAY ✗ LARSEN BAY ✗ LAZY BAY/ALITAK ✗ MOSER BAY ✗ OLD HARBOR ✗ OLGA BAY ✗ OUZINKIE ✗ PARKS/UYAK ✗ PORT BAILEY ✗ PORT LIONS ✗ PORT WILLIAMS ✗ SAN JUAN/UGANIK ✗ SEAL BAY ✗ TERROR BAY ✗ WEST POINT/VILLAGE ISLE ✗ ZACHAR BAY | HERMANS/MARK AIR EXPRESS | \$ 181,021 |
| MAY CREEK MCCARTHY | SPORTSMAN FLYING SERVICE | \$18,705 |
| ✓ SEWARD | HARBOR AIR | \$59,331 |
| | TOTAL | <u>\$ 3,592,444</u> |

ALASKAN ESSENTIAL AIR SERVICE POINTS

| <u>E.A.S. Point</u> | <u>Service Hub</u> | <u>Miles</u> | <u>E.A.S. Point</u> | <u>Service Hub</u> | <u>MI</u> |
|------------------------|--------------------|--------------|---------------------|--------------------|-----------|
| Adak Island | ANC | 1192 | Deering | OTZ | 1 |
| Akhik | ADQ | 84 | Dutch Harbor | ANC | 75 |
| Akiachak | BET | 16 | Eagle | FAI | 15 |
| Akiak | BET | 22 | Eek | BET | 4 |
| Akutan | CDB | 143 | Egegik | AKN | 4 |
| Alakanuk | KSM | 61 | Ekwok | DLG | 1 |
| Aleknagik | DLG | 17 | Elfin Cove | DLG | 4 |
| → Allakaket | BTT | 40 | Elim | JNU | 6 |
| Ambler | OTZ | 130 | Excursion Inlet | OME | 9 |
| • Amook Bay | ADQ | 84 | False Pass | JNU | 2 |
| Anaktuvuk Pass | BTT | 88 | • Farwell | CDB | 3 |
| → Aniak | ANC | 318 | • Flat | MCG | 6 |
| Angoon | JNU | 59 | → Port Yukon | MCG | 8 |
| Annette/Metlakatla | KTN | 22 | Funter Bay | FAI | 14 |
| → Anvik | ANT | 77 | → Galena | JNU | 1 |
| • Arctic Village | FYU | 108 | Gambell | ANC | 330 |
| Atka Island | ADK | 108 | Golovin | FAI | 261 |
| Atmautluak | BET | 18 | Goodnews Bay | OME | 19 |
| Barrow | FAI | 503 | → Grayling | OME | 7 |
| Barter Island/Kaktavik | FAI | 386 | Gulkana | BET | 118 |
| → Beaver | SCC | 115 | Gustavus | ANI | 93 |
| Bethel | FAI | 108 | Haines | ANC | 164 |
| → Battles | ANC | 399 | Hawk Inlet | JNU | 41 |
| → Birch Creek | FAI | 179 | → Holy Cross | JNU | 70 |
| • Boswell Bay | FYU | 27 | Homer | JNU | 17 |
| Brevig Mission | COV | 24 | Hoonah | ANI | 178 |
| Buckland | OME | 64 | Hooper Bay | ANC | 117 |
| • Candle | OTZ | 75 | → Hughes | JNU | 35 |
| • Cape Lisburne | OTZ | 140 | → Huslia | DOT | 153 |
| • Cape Newenham | OTZ | 166 | Hydaburg | GAL | 119 |
| • Cape Romanzof | BET | 148 | Icy Bay | GAL | 69 |
| • Cape Yakataga | BET | 158 | • Igiugig | KTN | 47 |
| Central | CDB | 106 | Iliamna | CDB | 136 |
| → Chalkyitsik | FAI | 104 | Ivanoff Bay | AKN | 52 |
| Chatham | FYU | 41 | Kake | ANC | 195 |
| • Chernofski | JNU | 60 | → Kalskag | PTH | 80 |
| Chevak | DUT | 84 | → Kaltag | PSG | 40 |
| Chicken | BET | 138 | Karluk | ANI | 25 |
| Chefornak | TOK | 62 | Kanai | GAL | 61 |
| Chignik | BET | 90 | Katchikan | ADQ | 74 |
| Chignik Lake | PTH | 46 | Kiana | ANC | 60 |
| Chignik Lagoon | PTH | 46 | King Cove | SEA | 679 |
| • Chisana | PTH | 45 | Kionuk | OTZ | 59 |
| Circle | TOK | 90 | Kitoi Bay | KVC | 14 |
| Clark's Point | FAI | 248 | Kivalina | BET | 96 |
| Cold Bay | DLG | 14 | Klawock | ADQ | 31 |
| Cordova | ANC | 621 | Kobuk | OTZ | 78 |
| Council | ANC | 160 | • Koliganek | KTN | 58 |
| Craig | OME | 58 | Kotlik | OTZ | 166 |
| → Crooked Creek | KTN | 59 | | DLG | 69 |
| | ANI | 51 | | SKM | 68 |

| <u>E.A.S. Point</u> | <u>Service Hub</u> | <u>Miles</u> | <u>E.A.S. Point</u> | <u>Service Hub</u> | <u>Miles</u> |
|--------------------------|--------------------|--------------|-------------------------|--------------------|--------------|
| Koyuk | OME | 130 | St. George | CDB | 283 |
| → Koyukuk | GAL | 25 | → St. Mary's | ANC | 442 |
| Kwathluk | BET | 13 | St. Michael | UNK | 47 |
| • Kwigillingok | BET | 80 | St. Paul Island | ANC | 787 |
| Kwiguk/Fmmanak | KSM | 49 | Sand Point | ANC | 257 |
| • Lake Minchumina | FAI | 148 | San Juan/Uganik | ADQ | 32 |
| • Larsen Bay | ADQ | 58 | Savoonga | OME | 162 |
| Lazy Bay/Alitak | ADQ | 89 | Scammon Bay | BET | 145 |
| Levelock | AKN | 31 | Selawik | OTZ | 74 |
| • Manley Hot Springs | FAI | 83 | Seward | ANC | 74 |
| → Marshall/Fortuna Ledge | BET | 75 | → Shageluk | ANI | 77 |
| • May Creek | GKN | 104 | Shaktolik | UNK | 32 |
| McCarthy | GKN | 97 | Sheldon Point | SKM | 59 |
| → McGrath | MCG | 221 | Shemya | ANC | 1486 |
| Makoryuk | BET | 154 | Shishmaref | OME | 122 |
| • Minto | FAI | 39 | Shuriginak | OTZ | 148 |
| • Moyer Bay | ADQ | 64 | Sitka | JNU | 95 |
| → Mountain Village | KSM | 14 | Skagway | JNU | 91 |
| Naknek | AKN | 14 | Skwentna | ANC | 68 |
| Napaklak | BET | 11 | → Sleetmute | ANI | 78 |
| Napaskiak | BET | 6 | South Naknek | AKN | 13 |
| New Stuyahok | DLG | 90 | Stabbin | UNK | 52 |
| Newtok | BET | 96 | → Stevens Village | FAI | 90 |
| Noatak | OTZ | 48 | → Stony River | ANI | 98 |
| Noorvik | OTZ | 43 | → Takotna | MCG | 15 |
| → Nulato | GAL | 34 | → Tanana | FAI | 127 |
| • Nunapitchuk | BET | 23 | • Tatolina | MCG | 13 |
| • NYAC | ANI | 44 | Teller | OME | 59 |
| Old Harbor | ADQ | 49 | Tenakee Springs | JNU | 50 |
| • Olga Bay | ADQ | 77 | Terror Bay | ADQ | 26 |
| Ouzinkie | ADQ | 11 | Tin City | OME | 103 |
| Parks | ADQ | 57 | Togiak | DLG | 67 |
| Pelican City | JNU | 67 | Toksook | BET | 113 |
| Perryville | PTH | 75 | → Tuluksak | BET | 36 |
| Petersburg | JNU | 123 | Tuntatuliak | BET | 41 |
| Pilot Point | KTN | 112 | Tununak | BET | 118 |
| → Pilot Station | AKN | 84 | • Twin Hills | DLG | 63 |
| Platinum | KSM | 16 | Ugashik | AKN | 86 |
| Point Hope | BET | 123 | • Unnak Island/Nikolaki | DUT | 116 |
| • Point Lay | OTZ | 150 | Unalakleet | ANC | 393 |
| • Porcupine Creek | BRW | 180 | Utopia | GAL | 128 |
| Portage Creek | BTT | 40 | Valdez | ANC | 125 |
| Port Bailey | DLG | 30 | • Venetie | FYU | 45 |
| Port Heidon | ADQ | 24 | Wainwright | BRW | 87 |
| Port Lions | ANC | 484 | Wales | OME | 109 |
| Port Williams | ADQ | 16 | West Point | ADQ | 39 |
| Prudhoe Bay/Deadhorse | ADQ | 47 | White Mountain | OME | 62 |
| • Queen | ANC | 627 | Wrangell | KTN | 83 |
| Quinhagak | DLG | 12 | Yakatat | JNU | 154 |
| → Rampart | BET | 71 | Zacher Bay | ANC | 372 |
| • Red Devil | FAI | 82 | Kongiganak | JNU | 199 |
| → Ruby | ANI | 73 | Manokatak | ADQ | 49 |
| → Russian Mission | GAL | 44 | Seal Bay | BET | 76 |
| Tatitlek | BET | 71 | Port Alexander | ULG | 20 |
| • Umiat | | | Portage Creek | ADQ | 44 |

H J R

87

SENATE COMMITTEE REPORT

DATE: 3/13/90

FURTHER:

DATE TURNED INTO OFFICE: 3-27-90

Transportation

Committee considered

HJR 87

Requesting certain work on the Wrangell Narrows by the United States Army Corps of Engineers.

and recommended:

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

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

Dept/Date:

Dept/Date:

fiscal note(s) _____

fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) House Trsp Comte

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signature]

Chair: Signature and Recommendation

ALASKA STATE LEGISLATURE

ELECTIVE DISTRICT 1

HYDER
KETCHIKAN
KUPREANOF
MEYERS CHUCK
PETERSBURG
SAXMAN
WRANGELL



HOME

P.O. BOX 5723
KETCHIKAN, AK 99901
PHONE 225-6304

DURING SESSION

P.O. BOX V
STATE CAPITOL BUILDING
JUNEAU, AK 99811
PHONE 465-3424

Representative Cheri L. Davis

March 13, 1990

The Honorable Lloyd Jones
Senate Transportation Committee
Capitol, Room 9

Dear Senator Jones:

Wrangell Narrows is used by a major portion of all commerce enroute to Alaskan ports and provides a safe alternative to 90 miles of hazardous seas. It is vital to the region that this waterway remain safe and navigable.

Before you is a resolution asking the Army Corps of Engineers to perform an immediate and comprehensive condition survey of the entire Wrangell Narrows. Presently, the Corps is responsible for dredging and maintaining seven areas along the 24-mile waterway. The overall goal of this survey is to identify hazards to navigation, water current impediments and a safe, estimated depth needed for the channel the entire length of the Narrows.

With increased large-vessel traffic anticipated through the Wrangell Narrows during the next few years, it is imperative that a survey be conducted addressing the areas of concern in this Resolution.

Thank you for scheduling this Resolution, and if you need any further information, please contact me immediately.

Sincerely,

A handwritten signature in cursive script that reads "Cheri L. Davis".

Cheri L. Davis
Alaska House of Representatives

FISCAL NOTE

REQUEST:

Revision Date: 08 HJR 87 Agency Affected: DOT
 Title: Relating on work on Wrangell
Narrows by the Corp. of Engineers BRU: _____
 Sponsor: Rep. Davis Components: _____
 Requestor: House Transportation Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 | FY 95 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| 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 | | | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Walter M. Loh / Controller Phone: 465-14858
 Division: House Transportation Committee Date: 2/28/90
 Approved by Commissioner: Richard D. Wines Date: 2/28/90
 Agency: House Transportation Committee

Distribution (by preparer):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

DOT/PF Fiscal Note

Southeastern Alaska Pilots' Association

CABLE ADDRESS SEAPILOTS

P. O. BOX 6100
KETCHIKAN, ALASKA 99901

February 14, 1990

The Honorable Cheri Davis
House of Representatives
State of Alaska
P. O. Box V
Juneau, Alaska 99811

Dear Cheri:

Subject: House Joint Resolution No. 87

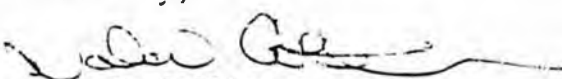
The Southeastern Alaska Pilots' Association would like to go on record as supporters of House Joint Resolution No. 87.

We now have two cruise ships scheduled to transit Wrangell Narrows weekly this summer. Both of these ships are larger than the M/V Columbia and one is a motor-sailing ship. Wrangell Narrows is transited by all marine user groups and is an important waterway to all mariners transiting the Inside Passage of Alaska.

We feel your resolution is vital to the continuance of information about this waterway. The U.S. Army Corps of Engineers provides this pilot group and other marine users with important up-to-date information needed for safe navigation of this area. The U.S. Army Corps of Engineers has been most helpful over the years with information and detailed maps of Wrangell Narrows and other areas of interest to us. However, we requested a detailed map of the Battery Islets area in Wrangell Narrows to review in the wake of the U.S.C.G. Buoy Tender Planetree grounding on January 25, 1990, and the U.S. Army Corps advised they did not have an up-to-date map of this location in Wrangell Narrows. They went on to state there were other locations in Wrangell Narrows where the information was in need of updating.

With this in mind and the volume of marine commerce transiting this waterway we feel House Joint Resolution No. 87 should be given unanimous support by the Alaska State Legislature.

Sincerely,


Dale O. Collins
Secretary/Treasurer

DOC:bjj
cc: Senator Jones
Representative Taylor

SE AK Pilot's Association-Support

1-40.

WRANGELL NARROWS, ALASKA

Condition of Improvement 30 September 1988

EXISTING PROJECT: Adopted 3 March 1925, modified 30 August 1935 and 2 March 1945; provides for a channel 300 feet wide dredged to a depth of -24 feet MLLW, with improvement of the alignment of the original 200 foot by 21 foot channel; an anchorage basin adjacent to the channel in the vicinity of Mile 14, 500 yards long, 200 yards wide, at -26 feet MLLW; a depth of -27 feet MLLW at Petersburg Bar (Shoal 2); easing curves at four shoals, removing a rock pinnacle opposite Anchor Point, and removing five small rock pinnacles in the towing channel.

PROGRESS OF WORK: The original 200 by 21 foot channel was completed in 1934. The modified channel was completed in 1951. Construction of the anchorage basin near Mile 14 was accomplished during April and May 1963. A rock believed to have been carried in by an iceberg was removed from the channel near Petersburg in June 1963. A 1970 modification at Turn Point, near Petersburg, increased the depth to -27 feet MLLW and widened the channel through the turn. Maintenance dredging was performed throughout the channel, September and October 1971 and to Turn Point in May and June 1979. A condition survey of mile 15.5 (North Ledge) of the Narrows was performed in February 1983. Condition surveys of Mile 3.5 to 5, (Scow Bay) and Mile 15.5 to 17 (North Ledge to Burnt Island) were performed in February 1984. In February 1986 condition surveys were accomplished at mile 10, (Green Point), miles 12.5-13 (Green Rock), and mile 20, (Battery Islets In February 1987, Mile 1.5 to 3.5, (Turn Point) and mile 18, (Spike Rock) were surveyed. In January 1988 Mile 15.5-17 (North Ledge to Burnt Island) was surveyed. In January 1988 a survey was made to inspect a reported navigation hazard at Mile 12.5-13, (Green Rock). The survey indicated that two large rocks were obstructing vessels in the channel. A contract was awarded to remove the rocks, and the removal was complete as of March 1988.

| RANGE OF TIDE: | <u>Mean Range</u> | <u>Diurnal Range</u> | <u>Extreme Range</u> |
|----------------|-------------------|----------------------|----------------------|
| Petersburg | 13.8' | 16.4' | 25.0' |
| Finger Pt. | 14.2' | 16.7' | 25.0' |
| Pt. Lockwood | 13.1' | 15.7' | 24.0' |

Continued on page 1

Corps of Engineers

1-40a.

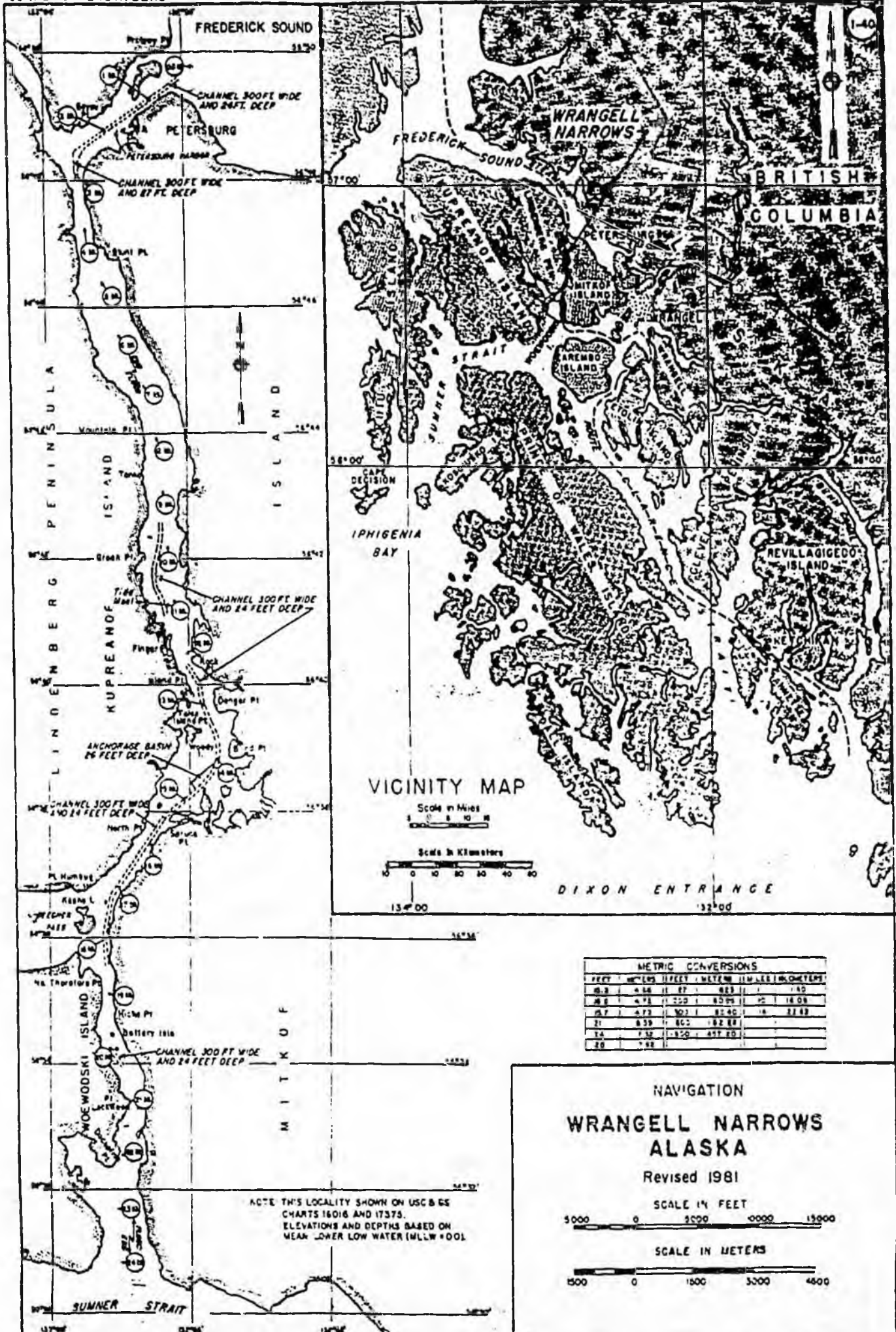
Prangell Narrows, Alaska (continued)

0 September 1987

CONTROLLING DEPTH: Controlling depth of -21.5 was found at mile 10; -22.6 at mile 12.5-13 (Green rock); and -20.9 at mile 20, February 1986. A depth of -20.6 feet MLLW near Mile 1.5 (Turn Point), and -15.7 at Mile 18 (Spike Rock) was noted in February 1987. A depth was found to be -18.5 feet MLLW between miles 15 and 17 (North Ledge to Burnt Island), in January 1988.

The major portion of all commerce enroute to Alaskan ports passes through this channel which provides a safe alternative to 90 miles of hazardous seas. The anchorage basin in the vicinity of Anchor Point is used as a holding area when waiting for fog to clear.

1-40a.



H J R

96

DATE: 4/28/90

FURTHER:

DATE TURNED INTO OFFICE: 5-1-90

Transportation Committee considered HJR 96 am

Relating to reconstructing and paving parts of the Alaska Highway as authorized in the Federal-Aid Highway Act of 1973.

and recommended:

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

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

APPROVES PREVIOUS:

fiscal note(s) _____ Dept/Date: _____

fiscal note(s) _____ Dept/Date: _____

zero fiscal note(s) _____

zero fiscal note(s) House Trsp. Comm

appropriation-no fiscal note

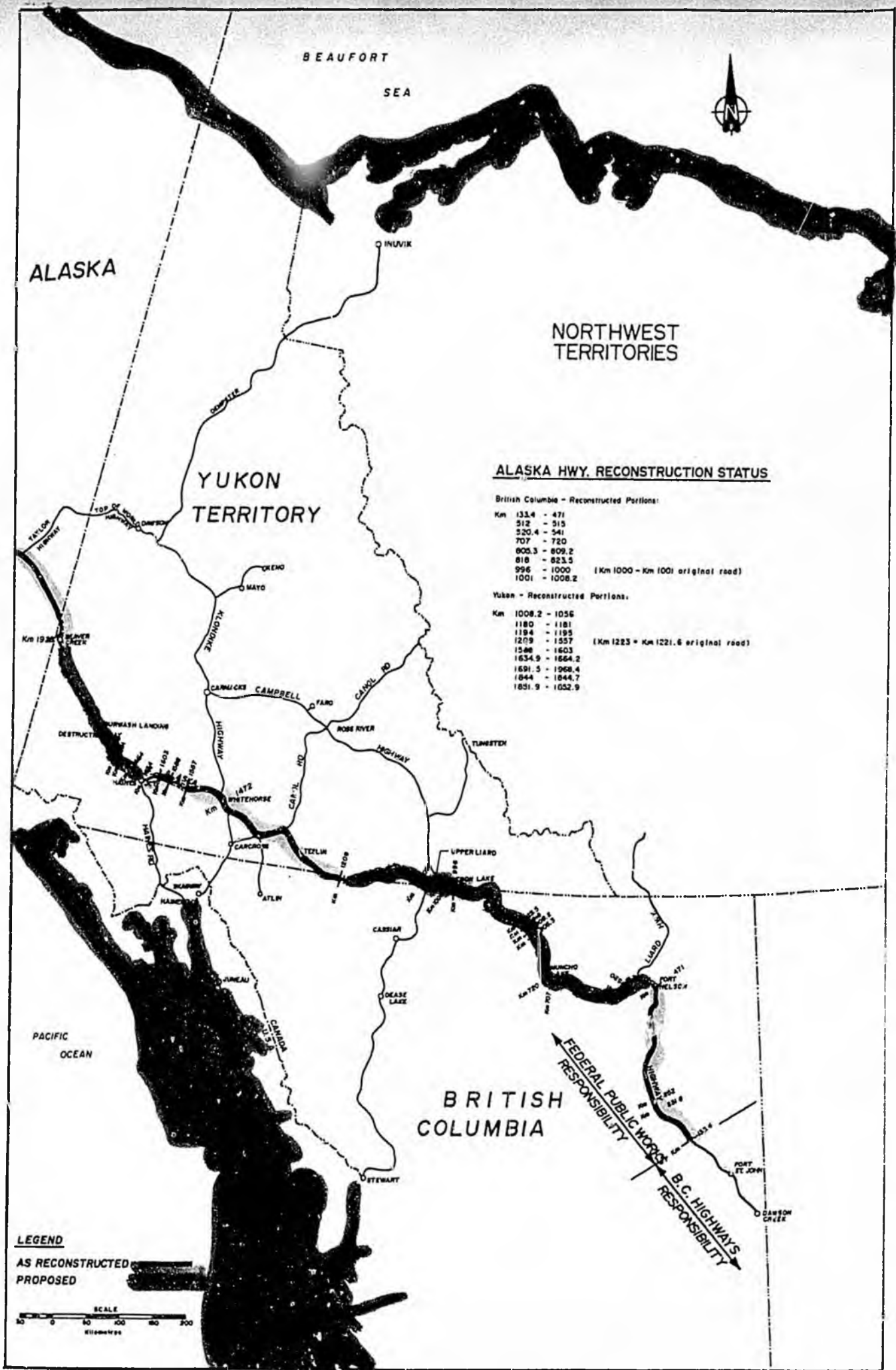
Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signature]
Chair: Signature and Recommendation



BEAUFORT SEA

ALASKA

NORTHWEST TERRITORIES

YUKON TERRITORY

ALASKA HWY. RECONSTRUCTION STATUS

British Columbia - Reconstructed Portions:

| | |
|----------|----------|
| Km 133.4 | - 471 |
| 512 | - 515 |
| 520.4 | - 541 |
| 707 | - 720 |
| 805.3 | - 809.2 |
| 818 | - 823.5 |
| 996 | - 1000 |
| 1001 | - 1008.2 |

(Km 1000 = Km 1001 original road)

Yukon - Reconstructed Portions:

| | |
|-----------|----------|
| Km 1008.2 | - 1056 |
| 1180 | - 1181 |
| 1194 | - 1195 |
| 1209 | - 1257 |
| 1588 | - 1603 |
| 1634.9 | - 1664.2 |
| 1691.5 | - 1968.4 |
| 1844 | - 1844.7 |
| 1851.9 | - 1852.9 |

(Km 1223 = Km 1221.6 original road)

LEGEND

AS RECONSTRUCTED

PROPOSED

SCALE

0 50 100 150 200

Kilometers

FEDERAL PUBLIC WORKS RESPONSIBILITY

B.C. HIGHWAYS RESPONSIBILITY

BRITISH COLUMBIA

PACIFIC OCEAN

CANADA

PORT ST. JOHN
DAWSON CREEK