

ALASKA
7729

LEGISLATURE
SENATE

COMMITTEE
TRANSPORTATION

FILES

1991-1992

8672

283



465-3756

FAX TRANSMITTAL SHEET

(907) 571-1444

TO: SEN. DIRT MORGAN

LOCATION: DUNSMUIR, AK 99811

FROM: TRIG OLSEN, ILLUMINATE, AK 99811

OF PAGES: 1 (INCLUDING TRANSMITTAL SHEET)

DATE: 9/18/91

MESSAGE: RE: ALASKA STATE LEGISLATION, RESOLUTION # 22

22

THE REPORT RESOLUTION # 22 AND THE ALASKA STATE LEGISLATION BY ILLUMINATE THE DEPOSED LANDINGS FEES AND ANY OTHER USER FEES FOR PUBLIC AIRSPACE AIRPORTS BE DISMISSED.

DAN KNIGHTON

JOHN JOHNSON

BERT FOSS

TRIG OLSEN



ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 531, 99929 (907) 874-2381
FAX: (907) 874-3952

March 29, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
P.O. Box V
Juneau, AK 99811

Re: Proposed Increase in Rural Airport Rates and Fees
SCR 22

Dear Senator Menard:

It has been brought to our attention that the Department of Transportation and Public Facilities is again considering implementing new landing fees and increased property and facility rental rates at rural airports in FY 92. There were statewide hearings last September on proposed increases, and the issue was shelved at the request of the Legislative Budget and Audit committee due to the considerable negative testimony and comment.

We would again like to state our opposition to the proposed increase in airport fees because air transportation is such a vital element for our continued economic growth and stability. The economic base in rural Southeast Alaska is founded on the timber and fishing industries. Both are susceptible to outside influences of which we have virtually no control. With the advent of mining development near Wrangell in British Columbia, we are experiencing a major increase in International trade via the airways. This mining development has opened a door of opportunity for economic development that can create a diversified economic base that will enable the southeast region to become more self sufficient and less dependent upon other economic factors that seem to suspend us in a perpetual crisis status.

The City of Wrangell has great concern over the negative economic effect the fee structure would have upon Wrangell, and requests the State not impose the proposed increase in rural airport rates and fees.

Sincerely,

Donald J. House
Mayor

DJH:fv

AVCP

Association of Village Council Presidents
P. O. Box 219 • Bethel, Alaska 99559 • Phone 543-3521

April 5, 1991

Senator Curt Menard
Chairman, Transportation Committee
P.O. Box V
Duneau, AK 99811

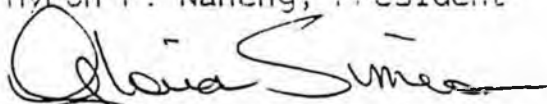
Dear Senator Menard:

The Association of Village Council Presidents is opposed to increases in landing fees and property and facility rental at rural airports. Our villages' financial resources are extremely limited. The cost of living in rural Alaska is increasing and the budget shortfall within State agencies must not fall on the residents of our already severely impacted rural villages.

We are in support of Senate Concurrent Resolution # 22, and urge it be passed.

Sincerely,

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
Myron P. Naneng, President



Gloria Simeon, Vice President

Cape Smythe Air

Serving Arctic & Northwest Alaska
Corporate Offices
Post Office Box 549
Barrow, Alaska 99723
Telephone (907) 852-8333

April 03, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska House
P. O. Box V
Juneau, Alaska 99811

Dear Senator Menard:

Cape Smythe Air would like to go on record as opposing any increases of rents and fees for airports in Rural Alaska.

I feel that one of the areas that should be more defined on the air transportation system in Alaska is which communities are "remote rural". Some areas have alternate ways of transportation while places like Barrow, Kotzebue, and Nome depend only on the air transportation. They are rural, but they are also remote.

Leave the areas that are remote alone, our costs are already too high, a majority of our people live a subsistence life style and cannot afford any higher rates. Thank you.

Sincerely,



Grant Thompson,
General Manager/Vice President

cc: Senator Al Adams
Representative Eileen MacLean

*On the Beautiful Banks of the
Kuskokwim*

CITY OF ANIAK

"Golden Heart of the Kuskokwim"

P. O. Box 43
Aniak, Alaska 99557
(907) 675-4481
(Fax) 675-4486



April 4, 1991

Senator Curt Menard
Chair Transportation Comm.
Alaska Senate
P.O. Box VV
Juneau, Alaska 99811

Fax #907-465-3756

Dear Mr. Menard:

The City of Aniak is still opposed to DOT/PF rental and user fee increases for rural airports. Our Resolution #90-09-07 which is resubmitted for your information is still valid. We strongly support Senate Concurrent Resolution No. 22.

Sincerely,

Robert B. Gibson
Deputy Mayor

RBG/lm

RESOLUTION 90-09-07
OF THE CITY COUNCIL
FOR THE CITY OF ANIAK

A RESOLUTION IN OPPOSITION TO DOT/PF REVISION OF RATES FOR RURAL ALASKAN AIRPORT USAGE;

WHEREAS: The City of Aniak has several property rental leases with the State of Alaska Department of Transportation and Public Facilities (DOT/PF) for land uses within the Aniak Airport property; and

WHEREAS: The State of Alaska DOT/PF is proposing to increase both landing and property rent user fees at twenty-seven Rural Alaskan Airports including Aniak; and

WHEREAS: The DOT/PF proposal will increase the City of Aniak's yearly budgetary operating costs with no corresponding additional benefits at a time when Alaskan Community budgets are contracting due to lessening city revenue streams;

THEREFORE: BE IT RESOLVED by the City Council for the City of Aniak publically oppose these proposed DOT/PF landing fee and property rental user rate increases and that a copy of this resolution will be forwarded to DOT/PF and other interested parties to be included in the official public hearing record.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Aniak on the 13 day of September, 1990.

William A. Murphy

Mayor

ATTEST:

Elizabeth M. Murphy

City Clerk
12/27/92

My Commission Expires

City of St. Mary's

P.O. Box 163
ST. MARY'S ALASKA 99658
TELEPHONE (907) 438-2515

April 11, 1991

The Honorable Curt Menard, Chairman
AK. Senate Transportation Committee
P.O. Box V
Juneau, Alaska 99811

Dear Senator Menard:

I was shocked and confounded to learn that DOT/PF has once again brought to the forefront the issue of increasing various fees and rates, and instituting landing fees at rural airports throughout the state.

Let me say again, as I have said now twice before to DOT/PF staff when the same issue was raised, that I stand in absolute opposition to implementation of these fees and rates. Instead of again reiterating my objections, let me request that the previous two compended summaries of public testimony be entered as part of the official record for this hearing process.

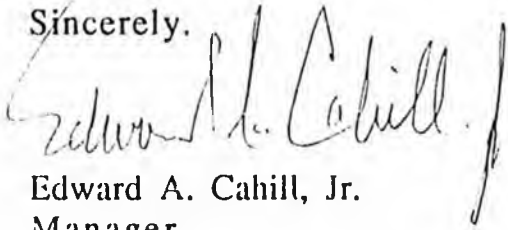
I have two additional comments:

- The same folks at DOT/PF who must be directed by HCR 26/SCR 22 to do their jobs and to study this issue before attempting end run after end run, are apparently unable to read the extensive and expensive input now gathered twice previously.
- Instead of raising \$6,000,000 in new fees to balance the DOT/PF shortfall, let me suggest that instead the same amount of money might be saved in the salaries of those in DOT/PF Planning who are unable to write and read.

The Honorable Curt Menard, Chairman
AK. Senate Finance Committee
April 11, 1991
Page 2

I know the structure of DOT/PF and would welcome the chance to suggest areas of budget adjustment so that this agency could be better able to serve its constituents, while meeting current budget constraints.

Sincerely,

A handwritten signature in cursive script, appearing to read "Edward A. Cahill, Jr.", written in dark ink.

Edward A. Cahill, Jr.
Manager

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 99723

Phone: 907-852-2611

Jeslie Kaleak, Sr., Mayor



April 5, 1991

Senator Curt Menard
Chairman, Transportation Committee
Alaska State Senate
P.O. Box V
Juneau, AK 99811

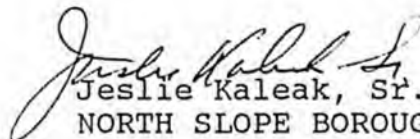
Dear Senator Menard:

This letter is to express the support of the North Slope Borough for Senate Concurrent Resolution No. 22 referred to your committee. This resolution opposes establishing landing fees and increasing land use fees at rural airports, and asks the administration to prepare a state transportation plan and report alternatives for raising revenues for the state transportation system.

We support this resolution because any increases in landing fees and land use fees would also lead to increases in airfares for rural residents. As you know, the primary means of transportation in rural Alaska is by air, and travel costs are already high. For example, it currently costs in excess of \$950.00 for a round-trip ticket between Barrow and Anchorage. We are supportive of any efforts to help reduce the already high costs of transportation in rural Alaska.

Thank you for your consideration.

Sincerely yours,


Jeslie Kaleak, Sr., Mayor
NORTH SLOPE BOROUGH

cc: Senator Al Adams
Representative Eileen MacLean
Representative Richard Foster

MAILING OFFICE 9078522611 P.2/2

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 89
Barrow, Alaska 99723

Phone: 907-852-2611

Jeslie Kaleak, Sr., Mayor



April 3, 1991

Senator Curt Menard
Chairman, Transportation Committee
Alaska State Senate
P.O. Box V
Junesau, AK 99811

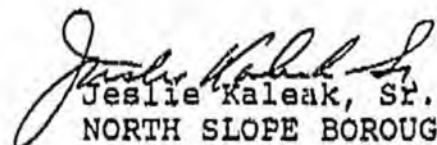
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Thank you for your consideration.

Sincerely yours,


Jeslie Kaleak, Sr., Mayor
NORTH SLOPE BOROUGH

cc: Senator Al Adams
Representative Eileen MacLean
Representative Richard Foster

NORTHWEST STRATEGIES

April 15, 1991

Senator Curt Menard
Chair Transportation Committee
Alaska Senate
Pouch V
Juneau, Alaska 99811
FAX 465-3756

Dear Senator Menard:

Please include my voice to those opposing establishing landing fees and increasing land use fees at rural airports in a number of rural communities. I support SCR 22 and HCR 26.

Northwest Strategies has a number of rural clients, ranging from local governments to native corporations. We know first hand how expensive it is to do business in rural Alaska.

These increases will only add to the economic burden of living in rural Alaska. I urge you to pass SCR 22 and send a clear message to the administration that the legislature will not balance the transportation budget on the backs of rural Alaska.

It has been less than six months since DOT/PF held public hearings around the state on this issue. The testimony was overwhelmingly against the proposed increases. And, as well as I can determine, the facts have not changed at all, but Commissioner Turpin has once again decided to try to balance the budget in this way.

I respectfully request that all testimony from the 1990 Rural Airport Rates & Fees Project Public Hearing Report be admitted into the record at the Senate Transportation Committee hearing.

Sincerely,


Kevin K. Bruce



Fax Transmission Form

510 'L' Street, Suite 210
Anchorage, Alaska 99501

Telephone (907) 274-1007
Telefax (907) 258-3527

To Telefax Number 465-3756

To: Senator Curt Menard
Chair, Transportation Comm.

From: Kevin Bruce
NWS

Date: _____

Pages transmitted including this cover: 2

Sent by: Zcl

IF ANY PROBLEMS IN RECEIVING, CALL (907) 274-1007

April 15, 1991

Senator Curt Menard
Chair Transportation Comm.
Alaska Senate
Pouch U...
Juneau, AK 99811

Dear Senator Menard,

I recently learned of HCR 26 + SCR 22 opposing establishing landing fees & increased land use fees at rural airports here in Alaska and wish to express my full support of this legislation.

Although I am new to the State, one of the areas that first caught my interest was that of rural Alaska. The isolation of the residents in the Bush & their ability to survive has impressed me greatly. Realizing that they must already be paying absorbent prices for necessities, imposing further burdens seems totally unreasonable & unnecessary.

I hope that you will show strong support of these bills.

Sincerely,

Juoa Moriso
A Concerned Alaskan



CHOGGIUNG LIMITED

VILLAGE CORPORATION

P.O. BOX 330

MAIN STREET

DILLINGHAM, ALASKA

99576

PHONE: (907) 842-5218

FAX: (907)842-5462

April 4, 1991

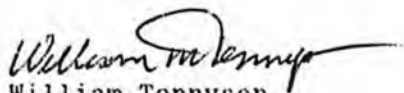
Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
P O Box V
Juneau, Alaska 99811

Dear Senator Menard:

Choggiung Limited, the Dillingham Native Village Corporation, is concerned about the attempt to levy landing fees at the rural airports in the state. Air transportation is our principal tie with the state and the rest of the world. Costs of transportation to the bush of Alaska is already expensive and in some cases prohibitive. When you can fly to Seattle for less than it costs to fly to Dillingham from Anchorage, adding more costs to air transportation to the bush may be the straw that breaks the back of many consumers.

We urge you to support Senate Resolution 22 opposing a fee charge for landing fees in rural Alaska.

Sincerely,


William Tennyson
President

cc: Senator Zharoff
Representative Richard Foster
Representative George Jacko

YUKON FLATS SCHOOL DISTRICT

P.O. Box 359
Fort Yukon, Alaska 99740
Phone: (907) 662-2515



April 4, 1991

The Honorable Curt Menard
House of Representatives
P.O. Box V
Juneau, Alaska 99811

ARCTIC VILLAGE
99722

BEAVER
99724

BIRCH CREEK VILLAGE
99740

CENTRAL
99730

CHALKYITSIK
99788

CIRCLE
99733

FORT YUKON
99740

NORTHERN LIGHTS
99701

RAMPART
99767

STEVENS VILLAGE
99774

VENETIE
99781

Dear Representative Menard:

As you know Rural Alaska already face excessive costs on food, transportation and fuel. To increase these expenses through Airport User Fees is unreasonable and unacceptable. Even though airports in our region are not currently affected, the foot in the door would ultimately lead to all airports.

Please consider other alternatives to this user fee proposal.

Thank you for your consideration.

Sincerely,
Yukon Flats School District


DOUGLAS A. WALKER
SUPERINTENDENT OF SCHOOLS

cc: Georgianna Lincoln

CITY OF PORT HEIDEN
P.O. Box 49050
Port Heiden, Alaska 99549
(907) 837-2209 (telephone)
(907) 837-2240 (fax)

FAX COVER SHEET

DATE: April 15, 1991

FAX #: 465-3756

PHONE: 465-2679

THIS FAX DIRECTED TO: The Honorable Cuet Menard

COMPANY: Chere Transportation Comm

DEPARTMENT:

RE:

NUMBER OF PAGES (including cover sheet): 2

SPECIAL INSTRUCTIONS:

FAX SENT BY: Lynn Caelson, City of Port Heiden

PHONE: (907) 837-2209

FAX: (907) 837-2240

CITY OF PORT HEIDEN

Resolution 91-05

- Whereas, Transportation in rural Alaska is primarily provided through a network of small regional facilities that are used by air carriers to supply reliable, safe and regular transportation services, and;
- Whereas, transportation in other parts of Alaska is provided through a surface system of road, marine and rail transportation operated and maintained by the State of Alaska, and;
- Whereas, the Department of Transportation and Public Facilities held statewide public hearings that resulted in testimony overwhelming opposing establishment of any landing fees at rural airports, and;
- Whereas, an increase in the use fees for rural airports would significantly and adversely affect the residents of Alaska who do not have alternative, subsidized forms of transportation, and;
- Whereas, the Department of Transportation and Public facilities has not completed a state transportation plan which could serve as a framework for discussion of any revenue recommendations;

Therefore, be it resolved that:

The Alaska Legislature opposes establishment of any landing fees or an increase in rates for land use at rural airports in Alaska, and;

Further resolves that;

The Department of Transportation and Public Facilities should complete a state transportation plan and report back to the Eighteenth Alaska Legislature on alternative methods of raising revenue.

Passed and Approved by a duly constituted quorum on the City of Port Heiden this ____ day of April, 1991.

Signed: Glenn Metzger
Mayor

Attest: Lynn Carlson
Clerk

April 15, 1991

Senator Curt Menard
Chair, Transportation Comm.
Alaska Senate
Pouch V
Juneau, AK 99811

Dear Senator Menard,

I am writing you in reference to the proposed increase of rural airport rates + fees. I am strongly opposed to new landing fees + increased land use fees at these airports. Being a lifetime Alaskan, born in Homer + raised in Kenai, I am aware of the importance of air travel in the rural communities.

There are many times when goods + supplies that are urgently needed cannot be found in the small communities, + the new landing fees would only discourage these communities from getting their supplies.

I feel this proposal will do nothing but hurt the economy of the rural areas + I fail to see who is going to benefit from this.

Thank you.

Sincerely, Trina Hallinen

April 15, 1991

Sen. Curt Merriam, Chair
Transportation Committee
Alaska Senate

Dear Senator Merriam:

I am writing to express my strong support of HCR 26 & SCR 22, opposing new landing fees and increased land use fees at rural airports.

Through my years as reporter and editor, first at Alaska Industry Magazine, then Alaska Magazine, I have traveled extensively in the Bush and written extensively about the rural areas. I know first hand how dependent these places are on their airports. Most recently, I was editor of the 1990 Alaska Wilderness Pilgrimage, and I was in contact with every Bush village in the state. Permeating every facet of rural life is their dependence, absolute dependence on their air transportation links with the rest of the world.

To jeopardize those links by imposing landing fees & increased land use fees is unconscionable. The economies in these villages are so fragile & the unemployment rates so high. These fees would be a terrible blow to the areas & economies least able to ^{absorb} it.

Please do what you can to kill these punitive fees.
Thank you.

Virginia Postlemy, 1526 F St. Anchorage



CITY OF SAINT PAUL

POUCH 1
SAINT PAUL ISLAND ALASKA
99660
(907) 546-2221
Telecopy (907) 546-2365

IN REPLY
REFER TO

March 28, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
P.O. Box V
Juneau, AK 99811

Dear Senator:

On behalf of the City of Saint Paul, I would like to officially express our disagreement with the intent to raise rural airport rates and fees. The economic impact to St. Paul would be substantial. We cannot afford increased rates on any of our transportation systems -- it is already expensive to live, work and do business on St. Paul. Living on an island, we have only two modes of transportation, and our air carriers are the major link with the rest of the world, both for people and freight.

We are currently experiencing economic hardships due to the delayed "start-up" of our port and fishery related industries. Increased airport rates would only further hamper our prospects.

I adamantly request that you postpone consideration of any increase in rates or establishment of any landing fees at rural airports until the State transportation plan has been examined and alternative methods of raising revenue can be examined.

Sincerely,

Ilarion P. Mercurieff
City Manager



CITY OF SAINT PAUL

POUCH 1
SAINT PAUL ISLAND, ALASKA
99880
(907) 546-2331
Telecopy (907) 546-2385

IN REPLY
REFER TO.

April 11, 1991

Senator Curt Menard
Chair, Transportation Comm.
Alaska Senate
Pouch V
Juneau, AK 99811

Dear Senator:

We are in full support of Senate Concurrent Resolution No. 22 which opposes rate increases at rural airports, of which the airport here at St. Paul Island would be affected.

Thank you for this opportunity to comment. Please keep us informed on this important issue.

Sincerely:


Larry Mercurieff, City Manager



April 2, 1991

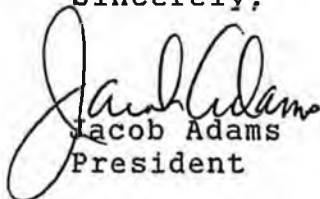
Senator Curt Menard
Chair, Transportation Comm.
Alaska Senate
P.O. Box V
Juneau, Alaska 99811

Dear Senator Menard:

The Arctic Slope Regional Corporation, headquartered in Barrow, strongly opposes the proposed increases of Rural Airport Rates and Fees. This proposed action will greatly increase the cost of living which is already beyond the reach of many rural residents.

Your attention and opposition to this ill-advised proposal would be greatly appreciated by those of us that rely on air transportation as a mean of supplementing our subsistence way of life, that is to bring in much needed medical and life support supplies.

Sincerely,



Jacob Adams
President

cc: Senator Al Adams
Representative Eileen MacLean
Grant Thompson, Manager, Cape Smythe



April 3, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
PO Box V
Juneau, Alaska 99811

Re: Proposed Increase of Rural Airport Rates and Fees

Dear Senator Menard:

It is my understanding that the Hickel administration is considering increasing landing fees and rental rates at several of the rural airports in FY 1992.

The Aleut Corporation is opposed to such an increase as it will unfairly raise the cost of living to those rural Alaskans who already pay more for their goods and services.

Thank you for your consideration.

Yours truly,

Alice Petrivelli
President
The Aleut Corporation

NANA REGIONAL CORPORATION, INC.

POST OFFICE BOX 49 / KOTZEBUE, ALASKA 99752 / TELEPHONE (907) 442-3301



April 2, 1991

Senator Curt Menard
Chair, Transportation Comm.
Alaska Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Menard:

It is somewhat bewildering for the Commissioner of the Department of Transportation and Public Facilities, Frank Turpin, to consider implementing new landing fees and increase property and facility rental rates at rural airports in FY92; despite public testimony that overwhelmingly spoke against it during the statewide hearings last September. Originally proposed as a means of covering part of a \$6.0 million shortfall in the DOT/PF budget, the new and increased fees were the subject of considerable negative testimony and comment. Plans to implement them were shelved in late September at the request of the Legislative Budget and Audit Committee.

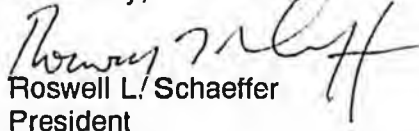
The transportation in the NANA Region is primarily provided through a network of small village airport facilities that are used by the carriers to supply reliable, safe, and regular transportation services; while transportation in other parts of the state is provided through a surface system of road, marine, and rail transportation operated and maintained by the state. The new and increased fees will cost rural Alaskans more than \$3.0 million in the first year alone and the proposed increases will apply only to rural airports, making the cost of living and doing business in rural Alaska even higher than it is now.

Because the transportation system in other parts of Alaska, including Alaska Railroad, surface highways, and marine highway, is subsidized in part by the State, the actual cost of transporting people and cargo is more equitable.

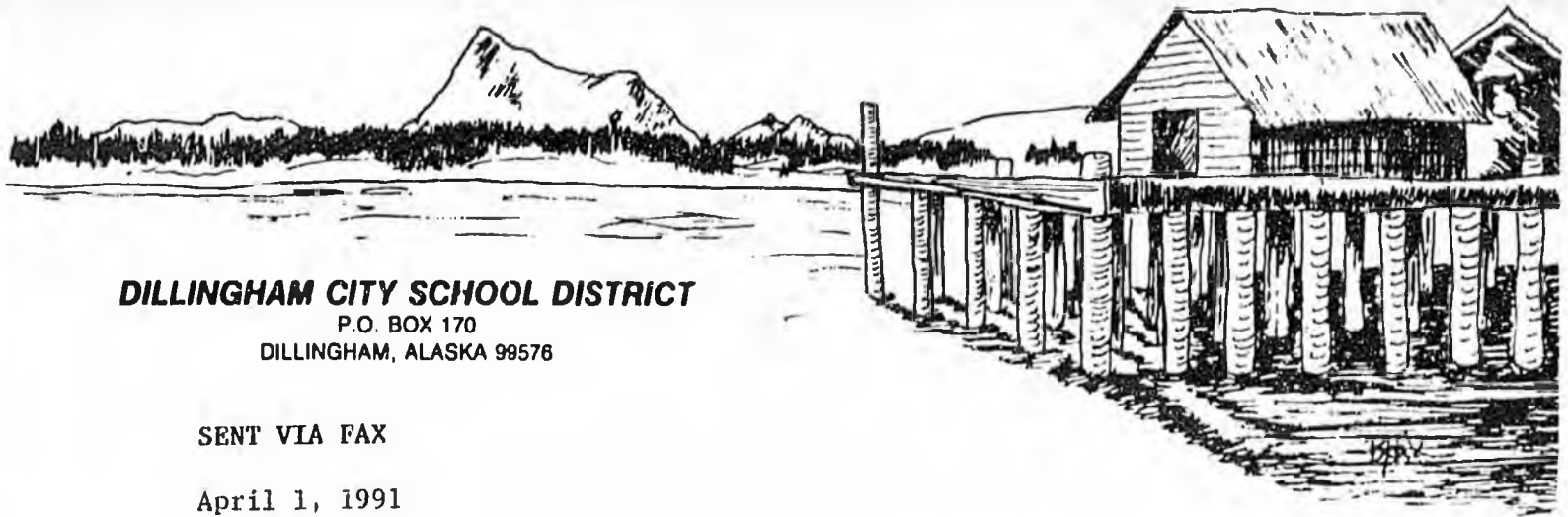
We are asking that before DOT/PF establishes landing fees and increasing land use fees at rural airports in the state; they complete a state transportation plan that could serve as a framework for discussing revenue-raising recommendations that involve the state transportation system. There are better means in which DOT/PF can get everyone involved with the process, rather than going against the testimony and hearings they had last fall.

Thank you and please do not hesitate to contact me if you need more information!

Sincerely,


Roswell L. Schaeffer
President





DILLINGHAM CITY SCHOOL DISTRICT

P.O. BOX 170
DILLINGHAM, ALASKA 99576

SENT VIA FAX

April 1, 1991

✓ Senator Curt Menard
Alaska State Legislature
P. O. Box V (MS 3100)
Juneau, Alaska 99811

Representative Richard Foster
Alaska State Legislature
P. O. Box V (MS 3100)
Juneau, Alaska 99811

Dear Senator Menard and Representative Foster:

This is to express our opposition to increasing rural airport rates and fees. The cost of doing business is already disproportionately high in Dillingham. This is due mainly because of our almost total reliance on air transportation. It seems grossly unfair to balance the DOT/PF's budget on the backs of Alaska's rural population.

We would greatly appreciate anything you can do not only to halt this thrust, but to implement new policies that could actually reduce the cost of living in our area.

Sincerely,

Don Renfro
Superintendent

DR:sg

C:1Apr.dt

465-3756



FAX TRANSMITTAL SHEET

(907) 571-1444

TO: SEN. CORT MEDARD

LOCATION: JUNEAU, AK. 99811

FROM: Trig Olsen, Lumina, AK 99600

OF PAGES 1 (INCLUDING TRANSMITTAL SHEET)

DATE: 4/8/91

RE: RE: ALASKA STATE LEGISLATORS IN JON
22.

WE SUPPORT RESOLUTION # 22 AND THE
ALASKA STATE LEGISLATORS BY URGING THAT
THE PROPOSED LANDING FEES AND ANY
OTHER USER FEES FOR RURAL ALASKAN
AIRPORTS BE DISMISSED.

DON KNIGHTON

JOHN JOHNSON

BERT FOSS

Trig Olsen



ADOPTED AUGUST 1972

CITY of WRANGELL, ALASKA

INCORPORATED JUNE 15, 1903

BOX 631, 99929 (907) 874-2381
FAX: (907) 874-3962

March 29, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska Senate
P.O. Box V
Juneau, AK 99811

Re: Proposed Increase in Rural Airport Rates and Fees
SCR 22

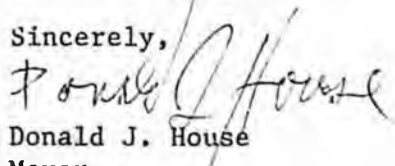
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We would again like to state our opposition to the proposed increase in airport fees because air transportation is such a vital element for our continued economic growth and stability. The economic base in rural Southeast Alaska is founded on the timber and fishing industries. Both are susceptible to outside influences of which we have virtually no control. With the advent of mining development near Wrangell in British Columbia, we are experiencing a major increase in International trade via the airways. This mining development has opened a door of opportunity for economic development that can create a diversified economic base that will enable the southeast region to become more self sufficient and less dependent upon other economic factors that seem to suspend us in a perpetual crisis status.

The City of Wrangell has great concern over the negative economic effect the fee structure would have upon Wrangell, and requests the State not impose the proposed increase in rural airport rates and fees.

Sincerely,


Donald J. House
Mayor

DJH:fv

AVCP

Association of Village Council Presidents
P. O. Box 219 • Bethel, Alaska 99559 • Phone 543-3521

April 5, 1991

Senator Curt Menard
Chairman, Transportation Committee
P.O. Box V
Juneau, AK 99811

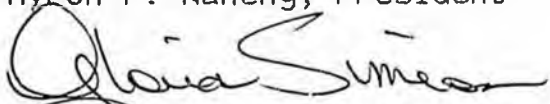
Dear Senator Menard:

The Association of Village Council Presidents is opposed to increases in landing fees and property and facility rental at rural airports. Our villages' financial resources are extremely limited. The cost of living in rural Alaska is increasing and the budget shortfall within State agencies must not fall on the residents of our already severely impacted rural villages.

We are in support of Senate Concurrent Resolution # 22, and urge it be passed.

Sincerely,

ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
Myron P. Naneng, President



Gloria Simeon, Vice President

Cape Smythe Air

Serving Arctic & Northwest Alaska
Corporate Offices
Post Office Box 549
Barrow, Alaska 99723
Telephone (907) 852-8333

April 03, 1991

Senator Curt Menard
Chair, Transportation Committee
Alaska House
P. O. Box V
Juneau, Alaska 99811

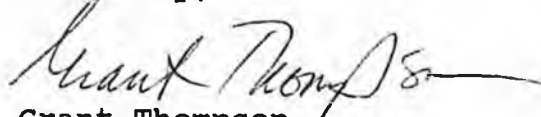
Dear Senator Menard:

Cape Smythe Air would like to go on record as opposing any increases of rents and fees for airports in Rural Alaska.

I feel that one of the areas that should be more defined on the air transportation system in Alaska is which communities are "remote rural". Some areas have alternate ways of transportation while places like Barrow, Kotzebue, and Nome depend only on the air transportation. They are rural, but they are also remote.

Leave the areas that are remote alone, our costs are already too high, a majority of our people live a subsistence life style and cannot afford any higher rates. Thank you.

Sincerely,



Grant Thompson,
General Manager/Vice President

cc: Senator Al Adams
Representative Eileen MacLean



*On the Beautiful Banks of the
Kuskokwim*

CITY OF ANIAK

"Golden Heart of the Kuskokwim"

P. O. Box 43
Aniak, Alaska 99557
(907) 675-4481
(Fax) 675-4486



April 4, 1991

Senator Curt Menard
Chair Transportation Comm.
Alaska Senate
P.O. Box VV
Juneau, Alaska 99811

Fax #907-465-3756

Dear Mr. Menard:

The City of Aniak is still opposed to DOT/PF rental and user fee increases for rural airports. Our Resolution #90-09-07 which is resubmitted for your information is still valid. We strongly support Senate Concurrent Resolution No. 22.

Sincerely,

Robert B. Gibson
Deputy Mayor

RBG/lm

RESOLUTION 90-03-07
OF THE CITY COUNCIL
FOR THE CITY OF ANIAK

A RESOLUTION IN OPPOSITION TO DOT/PF REVISION OF RATES FOR RURAL ALASKAN AIRPORT USAGE;

WHEREAS: The City of Aniak has several property rental leases with the State of Alaska Department of Transportation and Public Facilities (DOT/PF) for land uses within the Aniak Airport property; and

WHEREAS: The State of Alaska DOT/PF is proposing to increase both landing and property rent user fees at twenty-seven Rural Alaskan Airports including Aniak; and

WHEREAS: The DOT/PF proposal will increase the City of Aniak's yearly budgetary operating costs with no corresponding additional benefits at a time when Alaskan Community budgets are contracting due to lessening city revenue streams;

THEREFORE: BE IT RESOLVED by the City Council for the City of Aniak publically oppose these proposed DOT/PF landing fee and property rental user rate increases and that a copy of this resolution will be forwarded to DOT/PF and other interested parties to be included in the official public hearing record.

PASSED AND APPROVED by a duly constituted quorum of the City Council for the City of Aniak on the 13 day of September, 1990.

William A. Murphy
Mayor

ATTEST:

Elizabeth M. Murphy
City Clerk
12/27/92
My Commission Expires

City of St. Mary's

P.O. Box 163
ST. MARY'S ALASKA 99658
TELEPHONE (907) 438-2515

April 11, 1991

The Honorable Curt Menard, Chairman
AK. Senate Transportation Committee
P.O. Box V
Juneau, Alaska 99811

Dear Senator Menard:

I was shocked and confounded to learn that DOT/PF has once again brought to the forefront the issue of increasing various fees and rates, and instituting landing fees at rural airports throughout the state.

Let me say again, as I have said now twice before to DOT/PF staff when the same issue was raised, that I stand in absolute opposition to implementation of these fees and rates. Instead of again reiterating my objections, let me request that the previous two compended summaries of public testimony be entered as part of the official record for this hearing process.

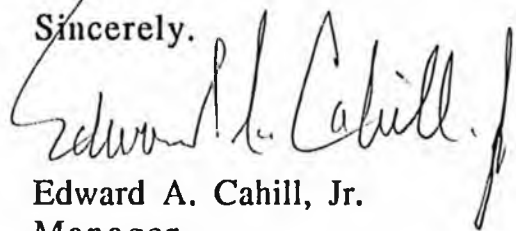
I have two additional comments:

- The same folks at DOT/PF who must be directed by HCR 26/SCR 22 to do their jobs and to study this issue before attempting end run after end run, are apparently unable to read the extensive and expensive input now gathered twice previously.
- Instead of raising \$6,000,000 in new fees to balance the DOT/PF shortfall, let me suggest that instead the same amount of money might be saved in the salaries of those in DOT/PF Planning who are unable to write and read.

The Honorable Curt Menard, Chairman
AK. Senate Finance Committee
April 11, 1991
Page 2

I know the structure of DOT/PF and would welcome the chance to suggest areas of budget adjustment so that this agency could be better able to serve its constituents, while meeting current budget constraints.

Sincerely,

A handwritten signature in cursive script that reads "Edward A. Cahill, Jr." with a long, sweeping flourish extending downwards and to the right.

Edward A. Cahill, Jr.
Manager

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 99723

Phone: 907-852-2611

Jeslie Kaleak, Sr., Mayor



April 3, 1991

Senator Curt Menard
Chairman, Transportation Committee
Alaska State Senate
P.O. Box V
Juneau, AK 99811

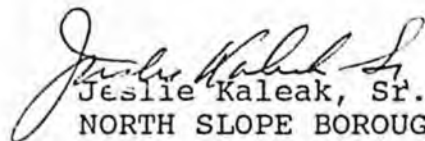
Dear Senator Menard:

This letter is to express the support of the North Slope Borough for Senate Concurrent Resolution No. 22 referred to your committee. This resolution opposes establishing landing fees and increasing land use fees at rural airports, and asks the administration to prepare a state transportation plan and report alternatives for raising revenues for the state transportation system.

We support this resolution because any increases in landing fees and land use fees would also lead to increases in airfares for rural residents. As you know, the primary means of transportation in rural Alaska is by air, and travel costs are already high. For example, it currently costs in excess of \$950.00 for a round-trip ticket between Barrow and Anchorage. We are supportive of any efforts to help reduce the already high costs of transportation in rural Alaska.

Thank you for your consideration.

Sincerely yours,


Jeslie Kaleak, Sr., Mayor
NORTH SLOPE BOROUGH

cc: Senator Al Adams
Representative Eileen MacLean
Representative Richard Foster

NORTH SLOPE BOROUGH

OFFICE OF THE MAYOR

P.O. Box 69
Barrow, Alaska 98723

Phone: 907-852-2611

Jeslie Kaleak, Sr., Mayor



April 3, 1991

Senator Curt Menard
Chairman, Transportation Committee
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Menard:

This letter is to express the support of ⁽²²⁾ the North Slope Borough for Senate Concurrent Resolution No. referred to your committee. This resolution opposes establishing landing fees and increasing land use fees at rural airports, and asks the administration to prepare a state transportation plan and report alternatives for raising revenues for the state transportation system.

We support this resolution because any increases in landing fees and land use fees would also lead to increases in airfares for rural residents. As you know, the primary means of transportation in rural Alaska is by air, and travel costs are already high. For example, it currently costs in excess of \$950.00 for a round-trip ticket between Barrow and Anchorage. We are supportive of any efforts to help reduce the already high costs of transportation in rural Alaska.

Thank you for your consideration.

Sincerely yours,

Jeslie Kaleak, Sr.
Jeslie Kaleak, Sr., Mayor
NORTH SLOPE BOROUGH

cc: Senator Al Adams
Representative Eileen MacLean
Representative Richard Foster

SCR

24



Alaska State Legislature

Senator Curt Menard



*While in
Session:*
P.O. Box V
Juneau, Alaska
99811
(907)465-2679

Interim:
165 E. Parks
Highway
Wasilla, Alaska
99687
(907)373-2878

*Senate
District
E*

SPONSOR STATEMENT

For the last six years, two Alaska Marine Highway vessels, the Bartlett and the Tustemena, have detoured into Columbia Bay when traveling between Valdez and Whittier. The intrusion of the marine highway ferries into Columbia Bay places the State of Alaska in direct competition with private tour operators.

Private tour operators have voiced strong opposition to this competition in the past and the anticipated loss of revenues for the upcoming tour season, from May 16th - Sept. 30th, will be significant. It is time for the State to get out of the tour business in Columbia Bay and let private enterprise take over.

Moreover, the purpose of the Alaska Marine Highway System is to provide point to point intrastate and interstate marine transportation for Alaska's coastal communities that are not served by the road system. Arguably, it is an appropriate role for the state to assist in the establishment of new markets for Alaskan products, including tourism. The key question, however, is when should the state let private enterprise take over.

There is a thriving Columbia Glacier tour market at the present time and private Prince William Sound tour operators are capable of satisfying demands for this tour service. SCR 24 supports the position that it is an appropriate time for the State of Alaska to get out of the tour business in Columbia Bay.

I would appreciate your support of SCR 24.

October 5, 1988

Dear Steve,

Sorry your busy schedule doesn't allow for attendance at Sundawgs Rugby functions. Our annual banquet is Friday, Oct. 14, at Ivory Dick's. Enclosed are two patches. The one is the newer Sundawgs patch and the other is from the Uosik's Golden Oldies tour to Auckland in 1987. The next Golden Oldies is in Toronto in 1989; I don't suppose the Governor needs to enter trade negotiations, border disputes or co-operative fishing ventures with the Canadians next September? In Toronto? I thought not. But keep this in mind; When you step down from the Governor's horse the Golden Oldies rugby organization will be there for you to play until you are 80!

Now for the beef. I'm expressing the following opinions on behalf of long time friends whose livelihood is, I believe, being jeopardized by the State. The subject is the Alaska Marine Highways side tours into Columbia glacier in Prince William Sound. The friends are the Stan Stephens family of North Pole. I believe you got a chance to meet Stan during your 1986 gubernatorial campaign, and may well have spoken with or heard more about him more recently as he is quite active in Prince Wm. Sound (PWS) political, environmental, and economic issues. There are several other commercial glacier tour operators working out of Valdez and they share the same concerns about competing with the ferry system but I will use Stan as my example as his is the situation about which I am best informed.

Stan has been in Alaska since the mid-1960s as a resident of North Pole and part-time resident of Valdez. He has had a charter business for fishing, hunting, and sightseeing since before 1971, when I first met him and went out on a goat hunt with him. At that time he was employed full time at Eielson AFB as civilian head of maintenance in the motor pool. He ran his charter business on his vacation time and on weekends from May through October for years. Every spare moment and every spare penny went back into the charter business. I went out with him numerous times in the 1970s and he always spoke of his dream of operating out of Valdez and doing more tourism with trips to the Columbia glacier and other areas in PWS. He began to realize his dream about 10 years ago when he quit his job (with retirement only a few years away) mortgaged all he owned and had a new boat built expressly for glacier touring. At that time the Columbia Queen had been in service running glacier tours for at least 10 years, and Stan and his family decided to compete full time for their market. They bought a house in Valdez and moved the whole family there for the summer, a tradition they have kept up ever since. Their fleet has gone through several changes in boats, routes, and schedules to where they now have 1 boat in Cordova strictly for charter work, and two in Valdez on the regular glacier tour runs. They have also

leased 200 acres on Growler Island directly across the channel from the glacier where their tour customers are fed lunch in a beautiful, rustic Alaskan atmosphere.

Ever since Stan has been in full time glacier business, he has come to realize that his toughest competition comes not from the Columbia Queen or any of the other tour boats, but from the Alaska Marine Highway (AMH) system's ferries. Stan and his family are the hardest working people I know. His energy is focused on his family, his business, and the well-being of PWS and Alaska. He is a fair man and welcomes the competition from private enterprise. It seems unfair, then, for him and the others to have to compete head to head with the state. They rely on a 90 day tourist season to reap a 365 day income. The state doesn't compete with its fishermen; the state doesn't compete with its loggers, the state doesn't trap, or guide hunters for bear or moose. Why, then, does it compete with this portion of the tourism trade? The AMH is an integral and necessary part of the transportation network in southeast and southcentral Alaska. It gets people, information, and freight from place to place in a timely manner. It brings tourists to towns that would be otherwise bypassed by many. It is convenient and inexpensive. And, it should stop there! Stan and the other operators support the ferry system, indeed they rely on it in part for bringing people to the area, thereby bolstering the local economy, but the service between Valdez and Whittier is much more than just a ferry ride. Have you ever been on that trip? Judy and I took it this summer from Whittier to Valdez where we were to join the Stephens for their glacier cruise and a few days on Growler Island. The ferry pulled right into the glacier's bay, at least a 10 mile and 45-60 minute detour, stopped and maneuvered as close to the glacier face as possible, presented a slide show and nature talk and then left. It was wonderful. And free. And exactly what we had expected when we went out with Stan. Had we been tourists, we would have cancelled the trip with the private operator after having gotten a tour gratis from the sovereign state of Alaska.

I spoke to John Holterman of AMH. He contends that the ferry has been running to the glacier since 1965 and there is an historic precedent for them to be there. Well the Columbia Queen had been in service on that route for years prior to my first visit in 1971. Mr Holterman said the people of Valdez and Whittier liked the ferry service for the business it generated for them. I would say yes, the ferry plays a vital role in bringing tourists into those towns, but more local income would be generated if the state stopped running side trips where local operators already do.

3.

He also mentioned that 20% of the ferry riders are senior citizens and they get to ride free of charge. This is a nice gesture on the part of the state, but if you were an elderly traveler which tour would you take? There is a large number of seniors who drive to Valdez or Whittier, park their vehicles, and ride the ferry round-trip from one port to the other and return for free! I found this out from RV and camper park operators in Valdez. Free travel to the elderly is fine, but free tours to highlights such as Columbia glacier are not. The elderly who travel around our state are among the most able to afford it. Stan gives them reduced rates for the tours he operates, but the ferry takes many of his potential clients away at taxpayer's expense! During the regular passage from port to port, the ferry would pass just 5 miles out from the glacier face amidst the calved icebergs. The glacier front is visible for 20 minutes from that range and is truly a magnificent sight. This is spectacular scenery and I feel that the state has no obligation to give its ferry passengers more than this view, and more strongly that they have no right to extend this sightseeing venture into an area so well supplied with local services. I feel it is harmful to the local economy and a waste of the taxpayer's money. You must remember too, that many of the riders are locals whose main objective is to get from one place to the other in the shortest time. To many of them I'm sure the side trip is an hour they would rather waste some other way.

I can imagine the ferry being used as an intimate sightseeing vessel in an area where the distance from a port were so great that it would be cost prohibitive for private operators to run charters to it. If the Columbia glacier were another 30 miles from Valdez I doubt there would be any beef about the AMH touring it. But the fact is it is very accessible from Valdez and these operators do have a chance to make a decent living from it. Let the ferry riders glimpse the glacier at a distance, from the channel; when their appetites for further adventure, inform them of the availability of private services to the glacier and other areas within the sound, then let the private operators compete among themselves for their business.

I asked Mr. Holterman about the possibility of conducting a user survey to assess the importance of the glacier detour to ferry ridership. Is it a crucial drawing card? Would people pass up the ferry ride altogether if the glacier were left out? I doubt it due to the need for passage from port to port; people don't like dead end roads. Another interesting angle would be to figure the cost savings to the state. Holterman said he thought they would be negligible, but the hour saved on each run could possibly lower

costs by 12-15%. Perhaps the best way to assess the impact of the tour would be to simply drop it for a year or two and see if the ferry suffered. You could probably find that out easily by comparing figures from the Hammond years; when former Governor Hammond was apprised of the competition by the state, he promptly cut the glacier tour out of the ferry itinerary. Governor Sheffield re-instated it shortly after his rise to office. I think the ultimate question here centers not on whether the state might lose a few dollars revenue, but on whether the state has the right to provide services available ^{from} to the private sector and to compete with the private sector for their livelihood.

I've carried on enough here, Steve, and I hope you get the point I tried to make. I don't know where these decisions are made, but I figured the top might be a good place to start. Could you please let me know your thoughts on this subject and pass on any clues as to where to further pursue the matter. Thanks for your indulgence.

Give my regards to Michael, and feed Wade plenty of Wheaties; we need some new blood on the team. Sincerely,



Sorry for the poor typing, but I write even worse!

WAVETAMER
North Country Kayaking
P.O. Box 228, Kodiak, Alaska 99615
907-486-2604

May 6, 1991

Senator Curt Menard
Senator Pat Pourchot
Senator Fred Zharoff
Rep. Cliff Davidson

Gentlemen,

Please pardon the collective letter format but I wanted to reach you all in a timely manner regarding the passage of Senate Concurrent Resolution No. 24 Relating to state ferry tours of Columbia Bay and to service by the marine highway system.

I feel it is in the best progressive and cooperative interest of the Alaska Marine Highway and the private visitor industry to clearly establish the boundaries of the Alaska Marine Highway routes in Prince William Sound.

Of particular concern is the intrusion of the state-subsidized AMH system into Columbia Bay which results in direct competition with private sector tourism efforts.

I feel that AMH vessels should stay outside of Columbia Bay and that the extent of their intrusion not be based upon arbitrary geological features created by the unpredictable advance or retreat of the ice pack or glacier face.

The Alaska Marine Highway network in Prince William Sound is a unique visitor amenity in Alaska. Its operation should in no way hinder or compete with private enterprise. Operating outside Columbia Bay still affords passengers a view of this wonderful attraction while reserving the opportunity for closer scrutiny to be provided by those private vendors who have invested time and capital into that service.

I feel the AMH can best serve coastal Alaska by providing consistent, timely and responsible service to those communities dependent upon the AMH for myriad commerce and transportation needs. Maintaining a non-competitive stature can only further enhance that relationship between the AMH and private enterprise.

Sincerely,



Tom Watson
Kodiak, AK





*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SCR 24

APPROVED:

A handwritten signature in black ink, appearing to read "W. Keith Paul", written over a horizontal line.

TITLE: Service Provided by A.M.H.S.

DATE: May 8, 1991

The M/V E.L. Bartlett, a 193' vessel with a capacity for 190 passengers and 30 vehicle units, serves the Prince William Sound communities of Cordova, Valdez, and Whittier.

During the winter months, the M/V Bartlett makes 5 trips a week between Cordova and Valdez. In summer months (May through September) the M/V Bartlett's weekly schedule starts on Monday morning with the first of 5 departures from Valdez to Whittier. In addition, the vessel will sail from Whittier to Valdez 5 times, Cordova to Valdez twice, Valdez to Cordova twice, and once each way between Cordova and Whittier.

An adult passage between Valdez and Whittier costs \$56, a 23' vehicle (average length for this run) costs \$124. Adult and vehicle fare between Whittier and Cordova is the same except on voyages not via Columbia Glacier when the fares are reduced to \$34 and \$114 respectively. The 7-hour run brings the ship no closer than 3.5 miles from the face of Columbia Glacier.

Between May 1 and September 30, 1990, the M/V Bartlett transported 22,704 passengers and 6,494 vehicles earning \$1,642,395 in revenue while promoting regional growth and economic development. The A.M.H.S. estimates that 65% of the M/V Bartlett's passenger traffic is accompanying an associated vehicle. Confirmed bookings have been made for 10,380 passengers and 3,750 vehicles to travel on the M/V Bartlett this summer.

The M/V Tustumena, a 296' vessel with a capacity for 220 passengers, 41 vehicle units, and 26 staterooms, makes a weekly summer run from Seward to Valdez, via Columbia Glacier, then continues on to Cordova prior to its return along the same route. Between June 1 and September 30, 1990, the M/V Tustumena carried 4,786 passengers and 1,294 vehicles on this route, earning \$170,576 in revenue. The A.M.H.S. estimates that 70% of the M/V Tustumena's passengers on this route are accompanying an associated vehicle. As of May 2, there were 903 passengers and 255 vehicle bookings confirmed for the M/V Tustumena on the Seward-Valdez-Cordova and return sailings.

Elimination of these routes, in particular the M/V Bartlett sailings, would have a dramatic impact on the traveling public, local community economy, and the revenues of the A.M.H.S. It is not clear that there is private replacement service that will accommodate the demand for passenger and vehicle transportation across Prince William Sound.

For Further Information contact Katy McHugh at 465-3900.

BACK-UP PHONE: 541-1199

1 TOCMT1

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*****
*
* DELIVER TO: LIOCROG
*
* ORIGINAL
* SENT: 05/07/91 TIME: 13:42
* FROM: LIOCKOD
* SUBJECT: 91-05-010; FL#1; JT. TRNS; 5-7-91
* PRINT DATE: 05/07/91 TIME: 13:42
*
*****

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T/C NO: 91-05-010
DATE: MAY 7, 1991 - TUESDAY
SPONSOR: JOINT TRANSPORTATION COMMITTEES
SUBJECT: PORTS & HARBORS & SCR24
MODERATOR: TINA WITTEVEEN
SITE: KODIAK L.I.O.

```

PARTICIPANT LIST 1

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*****
HERE OBSERVING:

```

NAME/REPRESENTING	ADDRESS	PHONE	PTII NO
1. WAYNE A STEVENS/	KODIAK CHAMBER OF COMMERCE		SCR 24

2 LOIS HANSEN PAYTON / KICVB SCR 24

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*****
START TIME: 1:35 PM END TIME:

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*
* DELIVER TO: LIOCROG *
*
* ORIGINAL *
* SENT: 05/07/91 TIME: 14:33 *
* FROM: LIOCKOD *
* SUBJECT: CHANGED HIS MIND 91-05-010 *
* PRINT DATE: 05/07/91 TIME: 14:33 *
*

ROGER

OUR PARTICIPANT WAYNE STEVENS HAS CHANGED HIS MIND AND WOULD LIKE
TO TESTIFY IF POSSIBLE.

TINA IN KODIAK

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*****
*
* DELIVER TO: LIOCRUG
*
* ORIGINAL
* SENT: 05/07/91 TIME: 14:08
* FROM: LIOCMIL
* SUBJECT: 91-05-010; FL#2; (JNT) TRANS: 5/7
* PRINT DATE: 05/07/91 TIME: 14:08
*
*****

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SUBJECT LINE TO READ: TC NO.; FL FS; SHORT SUBJECT: DATE

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T/C NO: 91-05-010
DATE: 5/7
SPONSOR: JNT TRANS
SUBJECT: SCR 24
MODERATOR: JUDY
SITE: ANCHORAGE

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PARTICIPANT LIST

```

*****
TO TESTIFY

```

NAMES/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. STEPHEN BOARDMAN/CORPS OF ENG.	POB 898	99506 753-5799	
2. RICHARD WILSON/ST GEORGE	4000 OLD SEWARD	561-2124	
3. BRAD PHILLIPS			SCR 24
4. Carl Cox			

~~5.~~
6.

```

*****
TO OBSERVE:

```

NAME / REPRESENTING	ADDRESS	PHONE	BILL NO.
1. KAY HANELINE/DOT			
2.			
3.			
4.			
5.			

```

*****

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BACK UP NUMBER: 561-1199
EMAIL ADDRESS: LIOCMIL

```

 *
 * DELIVER TO: LIOCROG *
 *
 * ORIGINAL *
 * SENT: 05/07/91 TIME: 14:02 *
 * FROM: LIOCVAL *
 * SUBJECT: 91-05-010;PL#2;JT.TRANS;5/7 *
 * PRINT DATE: 05/07/91 TIME: 14:02 *
 *

SUBJECT LINE TO READ: TC NO. :PI /ES. SHORT SUBJECT. DATE

T/C NO: 91-05-010
 DATE: MAY 7 1991
 SPONSOR: INTNT TRANSPORTATION
 SUBJECT: PORTS AND HARBORS - SCR 24
 MODERATOR: SHARON LAWRENCE
 SITE: VALDEZ

PARTICIPANT LIST#2

FINAL STATS

 TESTIFIED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. STAN STEPHENS			
2. GARY KRANENBURG			

 OBSERVED

NAME/REPRESENTING	ADDRESS	PHONE	BILL NO.
1. TOM MCALISTER			
2. SANDY ANACKER			

 TESTIFIED:
 UNABLE:
 OBSERVED:
 TOTAL:

START TIME: END TIME:



0-1

Stanley F. Stephens
Owner

A Special Charter Service
of Prince William Sound
for Hunting, Fishing, Sight
seeing, Photography, Business,
Entertainment, Columbia
Cruise Lines, Special
Overnight Cruise, Departing
from Valdez, Cordova or
Whittier

January 3, 1989

Lt. Gov. Steve McAlpine

Box AA

Juneau, Alaska 99811

Box 1297
Valdez, Alaska 99686
(907) 835-1731

Dear Steve:

Here are a few copies of letters sent to the state in regards to the Alaska Marine Hiway System. I don't have the copy of the one sent by Cordova or the Prince William Sound Coalition. For information on Cordova call Margie Johnson, Reluctant Fisherman, 424-3272, for information on P.W.S.C. call Pete Nagel, Chugach Alaska Corp., 563-8866. I have not enclosed one of my own letters but can do that at a later date if needed.

The one thing that is completely ignored by the state is the original intent of the Alaska State Ferry System which passed the legislature. It was not the intent then, nor is it now to have the state competing with Private Enterprise in the tour business. The ferry system is a transportation link, an extension of a hiway. The Bartlett is nothing but a tourboat, the state freely admits this. When the Bartlett accidentally grounded on the moraine, the judge during the inquest asked why they were there, then they said, "it is because the Glacier makes the trip possible." The state freely admits that it is fear of loss of revenue that keeps them competing with Private Enterprise.

I carried about 30% of my capacity last year, Westours about the same, the Glacier Seas less, and I'm not sure about the Lu Lu Belle.

Its critical to all of us that the state discontinues this practice. If this state is to grow independent and strong

D-2



Stanley F. Stephens
Owner

Boat Charter Service
Lease & Repair
Hunting, Fishing, Sight
ing, Photography, Business
Excursions, Columbia
River, Alaska, Special
Cruises, Departing
Anchorage, Cordova or
Homer

Box 1297
Anchorage, Alaska 99506
907/835-1731

it will do it with a strong private sector, not state gov-
ernment.

We simply cannot compete with the state. Sending along
an article by an Anchorage paper describes the Bartlett
when its at the Glacier.

Have you seen the new 1989 Marine Hiway Brochure?
The back page has a large picture of the Bartlett in at the
Columbia Glacier. George Davidson is going to tell the Gov.
that he can't stop going into the Glacier in 1989 because
he already had it advertised. This picture was put in that
brochure to strengthen the arguement when the topic came up.

Steve, I have never let up on this subject. They have
always been aware of the conflict.

Its time they do the right thing by those of us who are
trying to service a short but great industry.

Just one more thing: The Federal government gives the
state money to help build their boats. I have to beg the banks
and pay high interest rates to build mine. The Federal gover-
nment in this case is also competing with Private Enterprise.

Thanks for your help,
Stan Stephens
Stanley F. Stephens



Stanley F. Stephens
Owner

Special Charter Service
in Prince William Sound
for Hunting, Fishing, Sight
seeing, Photography, Business
Excursions, Columbia
Channel Cruises, Special
through Cruises Departing
from Valdez, Cordova or
Bartlett

January 4, 1989

*Sent to Dan Young, Senator Stevens &
Senator Murkowski*

Box 1297
Valdez, Alaska 99686
(907) 835-4731

For the last six years (since the Hammond administration) Prince William Sound tour operators have been in an ongoing battle with the State Marine Highway system over the M/V E.L. Bartlett.

The Bartlett competes directly with private enterprise for tourist dollars by making a detour from its normal point A to point B route and going into Columbia Bay. The Department of Transportation has admitted that the reason they make this detour is because it generates more revenue for them.

Being that the state receives federal funds to build their vessels and private enterprise must pay high interest rates to banks to build theirs, the Federal Government is in direct and unfair competition with private enterprise.

I know that you know that private enterprise is the backbone and strength of our country. To enfeeble it into this strength, even in a small dose is a very dangerous precedent.

The state has received many letters asking them not to compete with private enterprise from the Alaska Visitors' Association, The Valdez Chamber of Commerce, Cordova Chamber of Commerce, Glenallen Chamber of Commerce, Chugach Native Association, Prince William Sound Coalition, and many private letters from companies and individuals. Copies of some of these letters are attached.

The state has completely ignored our requests. My question is why should the state highway system receive federal funds to build vessels which compete directly with private enterprise for tourist dollars?

No Alaskan wants to take action against such a fine operation as the Alaska Marine Highway System. I believe in the Alaska Marine Highway System. It has proven to be a great asset to our communities that have no road system. The system should be used as an extension of a highway or bridge, but not in competition with private enterprise for tourist dollars. The Bartlett is now nothing but a money generating tour boat. It should be, instead, providing around the clock service to Cordova, Valdez and Whittier.

Is it right that you should fight for highway funds that could put private enterprise, long time Alaskans, out of business?

Please consider suggesting to the state that they use this federally supported system to use the state ferries as a transportation link, and not as tour boats.

In deep respect,

Stan Stephens

C-1



Stanley F. Stephens
Owner

December 14, 1988

Honorable Governor Steven Cowper
State of Alaska
Pouch A
Juneau, Alaska 99811

Re: Current intrusion into Columbia Bay, Prince William Sound, by
the Alaska Ferry, M/V Bartlett and M/V Tustemena

Dear Governor Cowper:

This letter is to further explain my position with regards to the
current Alaska Marine Ferry System's scheduled excursion into
Columbia Bay, directly competing with private enterprise.

As I'm sure you are aware, many letters from local tour
operators, chambers of commerce, convention & visitors bureaus,
and strong tourism lobbying groups have been sent to you and
other legislators, voicing their strong positions on competition
between the State operated ferry system and private enterprise.
There are still additional support letters being generated and
being forwarded to your office. I feel this situation demands
serious attention since the financial hardship and unfair
competition has caused damage to the successful continuation of
private tour operators servicing the visitor industry in Prince
William Sound.

During my conversation with George Davidson on this date, he
indicates the Ferry Bartlett will suffer severe financial damage
if forced to stop the Columbia Bay/Columbia Glacier trip;
however, I need to emphasize we, too, have insurmountable
hardships when competing with the state. He also stated that to
consider any schedule change would take strong direction from
you.

This issue has become extremely important and of great concern to
private enterprise. Lobbying groups have adopted resolutions in
support of private enterprise and as of yet, although these
resolutions have been sent to your office, no response as to your
considered actions have been noted. Whatever happened to
government for the people and government doing what private
enterprise cannot?

The ferry system is critical as a source of transportation to the
many residents of the communities in Prince William Sound,
providing the highway network and connection, especially for the
Cordova resident! Often the highway system can only provide the

Special Charter Service
Prince William Sound
Hunting, Fishing, Sight
ing, Photography, Business
Entertainment, Columbia
River Cruises, Special
Straight Cruises, Departing
in Lulea, Cordova or
Juneau

Box 1297
Juneau, Alaska 99806
(907) 835-4731

C-2

necessary quality of life function and cannot be a revenue generating opportunity for the state. I'm sure the highway systems loses lots of money clearing snow and performing highway maintenance and does not look at this loss as reason to stop the necessary functions; however, it seems the Ferry system is being addressed just this way. My question is....Where is the consistency with regards to transportation?

The argument that the Ferry was the first to go into Columbia Bay and offer this excursion is a mistruth. The Gypsy Queen long before the Earthquake was making daily trips in Columbia Glacier. There was not an established ferry into Prince William Sound then. It did take private enterprise longer to recover from the damage of the Earthquake. The Ferry started right up offering this tourist opportunity, but by 1967, both were in the Columbia Glacier business.

It is time the State stops playing TOUR BOAT!

I hope you are not willing to bankrupt private enterprise for the financial stability of the Alaska Ferry System. I've strived since the Hammond Administration to show the State how wrong and how extremely damaging to the existence of private enterprise direct competition with the State is. I feel the main problem with any change to the Ferry System schedule or route is the certain political problems that may arise, favorable or unfavorable.

It is my greatest concern that this issue not be shoved behind the door and that you address private enterprises' critical situation immediately.

In deep respect,

Stan Stephens



Alaska Sightseeing Tours

TravAlaska

349 Wrangell St., Anchorage, AK 99501
(907) 276-7141 • Telex: (090) 26363 • Fax: (907) 276-2155

March 28, 1991

To: Representative Curt Menard
Johanna Munson
Juneau, Alaska

From: John Kreilkamp
Director of Sales
Alaska Sightseeing Tours
543 West 4th Avenue
Anchorage, Alaska 99501
907-276-1305 (fax 272-5617)

RE: The M/V Bartlett's operation into Columbia Bay

On behalf of Alaska Sightseeing Tours, I want to make it very clear that we are opposed to the presence of the State's Marine Highway vessels in Columbia Bay. Columbia Bay has numerous private carriers operating daily into the Sound. Rarely have those operators had their inventory of available seats dry up because of popular demand. As the number of day boats operating in the Sound increases, it only adds insult to injury seeing a blue canoe operated with taxpayers money, cruise into Columbia Bay.

Columbia Glacier is one of the most renowned destinations in Alaska, if not the world. To have a half dozen private operators competing with the State in the Bay is ridiculous. As one who has regularly attended marketplace forums such as the Nation Tour Association, I cringe when I hear buyers say that our group fare between Whittier and Valdez is twice that of the Ferry's. We simply cannot compete with the rates set by the State of Alaska.

The Ferry system should stick to a course which serves the direct path from community to community and leave the sightseeing to private industry. I respectfully request that the State stop this unfair competition, and do hope to hear from you soon on the progress of your efforts.



Holland America Line
Westours Inc.

November 7, 1988

The Honorable Steve Cowper
Governor
STATE OF ALASKA
Pouch A
Juneau, AK 99811

Dear Governor Cowper:

As you may be aware, those of us in the Visitor Industry in Prince William Sound are very concerned by the fact that the Alaska Marine Highway vessels are operating on a route parallel to those of the private tour vessels and they have had a very serious and negative impact on the operation of all of the private tour vessels on the Sound. The Glacier Queen II, which we operate, saw its volume drop by over 21% from 1987 to 1988 even though we lowered the price by offering special incentives.

We are very aware that many group tour operators who have historically used Stan Stephens, Alaska Sightseeing, or ourselves, have now moved over onto the ferry. This subsidized competition places an unreasonable financial burden on the private operators and even places some in jeopardy of losing their businesses. I believe the situation will also have a very negative impact on the hotels, fuel suppliers and other local businesses in Valdez as well.

I would ask that the Department of Transportation and the Alaska Marine Highway operate direct between Valdez and Whittier and inform any inquiries they do receive that they will be operating direct as we have already been told by some of our current group operators that they are planning to leave the private vessels and cruise on the ferry for 1989.

Thank you for your consideration of this issue. Please let me know if I can be of any further assistance or answer any questions.

Sincerely,

Thomas C. Tougas
Vice President
Transportation Division

TCT/sch

cc: George Davidson
Director, Alaska Marine Highway System

F-2

A RESOLUTION OF THE
GREATER COPPER VALLEY CHAMBER OF COMMERCE
RE: ALASKA MARINE HIGHWAY POLICY

WHEREAS, the Marine Highway System of the State of Alaska is an extension of the Alaska state highway system, and

WHEREAS, tours to the Columbia Glacier via Columbia Bay is a tourist excursion developed by private enterprise for the benefit of the visitors to Alaska and the tourist industry, and

WHEREAS, the intrusion of the state's Marine Highway System into Columbia Bay by the ferries traveling between Valdez and Whittier (namely the M/V Bartlett and M/V Tustumena) places the State of Alaska in direct competition with private industry, and

WHEREAS, such competition is unfair because through state subsidies, the Marine Highway System is offering reduced rates to the general public and free passage to persons over the age of sixty-five (65) years, and

WHEREAS, the policy of free passage during the period from May 16th to September 30th, commonly referred to as the tourist season, does not apply to any main trunk line within the Marine Highway System other than the line between Valdez and Whittier, and

WHEREAS, such unfair competition is placing private enterprise in financial jeopardy,

THEREFORE NOW BE IT RESOLVED, that the Greater Copper Valley Chamber of Commerce hereby requests that the State of Alaska, Department of Transportation and Public Facilities, Division of Marine Highways, cease and desist from their practice of allowing any and all ferries to enter the Columbia Bay from the period of May 16, to September 30, and

FURTHER, that the Marine Highway System no longer allow free passage to persons over the age of sixty-five (65) years on any main trunk line of the system, including the line between Valdez and Whittier, and

Further, that the Marine Highway System develop a constant and regular schedule and become a daily link between the major communities of the Prince William Sound, namely Cordova, Valdez and Whittier.

The above resolution is approved and signed this 4/7/88

day of November, 1988 by the following members

of Greater Copper Valley Chamber of Commerce.

Donna Tollman
Donna Tollman, President

Jasper Hall
Jasper Hall, Vice President

Evelyn Bunch
Evelyn Bunch, Secretary

Sandy Filzman
Sandy Filzman, Treasurer

Park Kriner
Park Kriner, Director

Mike Lanegan
Mike Lanegan, Director

Don Horrell
Don Horrell, Director

Peggy Keesecker
Peggy Keesecker, Director

David Bruno
David Bruno, Director

Gail Niebrugge
Gail Niebrugge, Director

Ronald Bursey
Ronald Bursey, Director

NOV 01 00:00 1210330100 3125 312525 02 0118 029



**Valdez Convention
& Visitors Bureau**

P.O. Box 1603 Valdez, Alaska 99686 (907)835-2954

November 9, 1988

Mr. George Davidson
State of Alaska
Alaska Marine Highway System
Pouch R
Juneau, Alaska 99811

Dear George:

The Board of Directors for the Valdez Convention & Visitors Bureau at a meeting on November 8, 1988, voted to unanimously support the Alaska Visitors Association Resolution regarding the Alaska Marine Highway intrusion into Columbia Bay.

The VCVB recognizes the vital importance of services provided by the Alaska Marine Highway Ferry System in Prince William Sound and would like to commend your efforts. However, with the additional time in your current schedule allowing for an excursion into the Columbia Glacier area, providing visitor services that are currently being performed by private enterprise, the function of transportation between the communities of Cordova, Whittier and Valdez is being limited. We would like to suggest that investigation of a round robin type of schedule connecting the Prince William Sound communities might be more beneficial to all.

George, thank you for allowing us this opportunity to communicate our concerns and ideas.

Sincerely,



Karen Cowart
Executive Director

Valdez Chamber of Commerce

P.O. Box 512 • Valdez, Alaska 99686 • Phone 835-2330

December 29, 1988

State of Alaska
Office of the Governor
P.O. Box A
Juneau, Alaska 99811

Attention: Honorable Steve Cowper, Governor

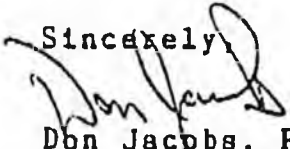
Re: Alaska Marine Highway Policy - Prince William
Sound

Dear Governor Gowper,

We would like to state at this time that we support the removal of the state ferries making a side excursion into Columbia Bay. By doing this they are in direct competition with private industry.

You will find enclosed a copy of a resolution passed by the Valdez Chamber of Commerce asking you to see that the movements of the ferry are confined to that of being a link between the primary towns in the Prince William Sound, namely Cordova, Valdez and Whittier.

Sincerely,


Don Jacobs, President
Valdez Chamber of Commerce



Alaska Sightseeing Tours

TravAlaska

4th & Battery Bldg., Suite 808, Seattle, WA 98121
(206) 441-8687 • (800) 426-7702 • Telex: 329-459 • Fax: (206) 441-4757

December 15, 1988

George W. Davidson
System Director
Alaska Marine Highway
P.O. Box "R"
Juneau, AK 99811

Dear Mr. Davidson:

I wish in this letter to add my support to those requesting that the Alaska State Marine Highway discontinue its practice of conducting a tour of Columbia Glacier on the service between Valdez and Whittier.

At the AVA Conference in Whitehorse in Fall of 1981, the same question was raised. I was a member of the private conference with Mr. Hudson wherein it was agreed that between the industry and the State, the ferry system would divert to operating the ferry into the bay, remaining 3 to 5 miles away from the face of the glacier. The practice has since been altered, and now the ferry goes to the face of the glacier and remains there for an extended period of time, and even drops the ramp to pick up ice! This is a long ways from operating a point to point ferry system.

Private enterprise must be protected from competition with a state operated agency. We, as operators of the M/V Glacier Seas, representing an investment of a million and a half dollars, strenuously object to the State competing in our area of tour operation. It has a strong negative impact on our revenues, brings into question our viability and the ability to continue successful operations. We take a very serious view of this situation.

I can give no credit at all to your claim that you must have revenue from tourists who wish to visit the Columbia Glacier. The original charter of the ferry system was to provide point to point transportation connecting points that were not served by highway. This is still the only reason for the ferry's operation. There's no legitimate argument for continuing to operate a tour type of service.

The AVA Conference in Sitka voted in resolution petitioning the State to discontinue tour type ferry service. I now ask you to recognize that the public you are serving does not expect you to compete with private enterprise.

I'm sure that should a public forum be held on this subject, that the people of the State of Alaska would support the position that we are taking. Please advise your decision on this matter.

Very Sincerely Yours,

Charles B. West
President

Member

ASTA



October 25, 1988

Mr. George Davidson, Director
Alaska Marine Highway System
Department of Transportation & Public Facilities
P.O. Box R
Juneau, Alaska 99811

Dear Mr. Davidson:

This is to express our views on the resolution recently passed at the annual Alaska Visitors Association convention in Sitka concerning the Marine Highway System routing in the Kenai and Prince William Sound Region. Chugach Alaska Corporation (CAC) is the Native regional corporation for the Prince William Sound/South Kenai/Central Gulf of Alaska area. The company is also a member of AVA and the Prince William Sound Tourism Coalition.

The communities of the Chugach Region from west to east include Port Graham, English Bay, Seward, Chenega Bay, Whittier, Valdez, Tatitlek and Cordova. There is no regularly scheduled transportation linking all of the Region's communities or even those within its two populated districts, the Prince William Sound and south Kenai Peninsula.

As a company owned by a significant percentage of the local population with major land holdings and business investments throughout the area, CAC strongly urges continued improvements to the marine highway's service of the local communities. The ferry schedule should link the communities within each district and provide a link between the two districts. As much as possible, the schedule should provide "two-way" transportation from each community and link the two districts with a schedule that ties into the local ferry schedule.



In conclusion, we thank you for your persistence in improving the service of the Marine Highway to the maritime communities of southcentral Alaska and particularly those of the Chugach Region.

Sincerely,

CHUGACH ALASKA CORPORATION

Michael H. Chittick
President

- cc: Chenega Corporation
- English Bay Corporation
- Eyak Corporation
- Port Graham Corporation
- Tatitlek Corporation

~~cc: Stan Stephens~~



Plaza Inn Hotels, Inc. d/b/a Days Inn - Anchorage
321 East Fifth Avenue
Anchorage, Alaska 99501-2654
(907) 276-7226

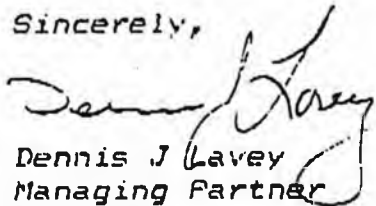
December 15, 1986

To Whom It May Concern;

As a 22 year resident of the state of Alaska I am opposed to the state ferries providing tour related services to Columbia Glacier.

The state ferry concept began as an alternative to building roads to the coastal communities. The ferries should be providing safe speedy passage between communities, not tour related.

Sincerely,


*Dennis J Lavey
Managing Partner
Days Inn*



ALASKA VISITORS ASSOCIATION

P.O. BOX 102220
ANCHORAGE, ALASKA 99510
(907) 275-8663

Tel: 21-167
Within Alaska 090-25-167
Lower U.S. 090-25-167
Canada 090-25-167
International 314-25-167

1987-88 EXECUTIVE OFFICERS:

President
GARY ODLE
Holland America Line-
Westcott, Inc.
Seattle, Washington

**Vice President/
Administration**
TOM COX
NAJA Development Corp
Anchorage, Alaska

**Vice President/
Government Relations**
ROBERT CHANDLER
Alaska Travel Services
Anchorage, Alaska

**Vice President/
Marketing**
RALPH WEST
Alaska West Association
Anchorage, Alaska

Secretary
BOB PERLO
Southeast Stevedoring
Corp
Ketchikan, Alaska

Treasurer
RAY PEDERSEN
Princess Tours
Seattle, Washington

PAST PRESIDENTS

GEORGE GUNDBORG
1980

ROBERT E. ELLIS
1981-1982

EDWARD D. COFFEY
1983-1985

MARSHALL CRUTCHER
1985-1988

BEN CRAWFORD
1988-1987

EVERETT PATTON
1988-1988

ROBERT A. BAKER
1988-1989

ROBERT E. ELLIS
1989-1992

ROBERT J. HERRON
1992-1993

E. E. SWOFFORD
1993-1994

H. JACK MUSEL
1994-1995

JAMES GAMBON
1995-1996

FRANK DOWNEY
1997-1998

BILL SHEFFIELD
1998-1999

JOHN MONROE
1999-1970

RONALD LATIMORE
1970-1971

JOHN STEVENS
1971-1972

LEN LAURANCE
1972-1973

E. AL PARRISH
1973-1974

AL "BOB" HALBERG
1974-1975

CHUCK WEST
1975-1977

CHARLES CONWAY
1977-1978

JAM BINKLEY
1978-1979

MARTHA EDWARDS
1979-1980

ROLF KLUG
1980-1981

DAVE PALMER
1981-1982

CHRIS VON IMHOFF
1982-1983

ROBERT M. BRENNAN
1983-1984

DENNIS BRANDON
1984-1985

AL "KIRK" JANTERMAN
1985-1986

JOHN LITTE
1986-1987

1988-19

A RESOLUTION OF THE ALASKA VISITORS ASSOCIATION REGARDING:

The Alaska Marine Highway intrusion into Columbia Bay.

WHEREAS, the Marine Highway System is an extension of the Alaska highway system, and

WHEREAS, the Columbia Glacier tours is a product developed by private enterprise for the benefit of the visitor industry, and

WHEREAS, the intrusion of the State's Marine Highway System into Columbia Bay places the State in direct competition with private industry, and

WHEREAS, such competition is unfair and places private enterprise in financial jeopardy with reduced rates and free passage to Senior Citizens

NOW, THEREFORE BE IT RESOLVED, that the Alaska Visitors Association hereby requests the State of Alaska, Department of Transportation and Public Facilities, Division of Marine Highways cease and desist their practice of allowing any and all ferries to enter Columbia Bay, and

BE IT FURTHER RESOLVED that the marine Highway System eliminate their policy of Complimentary passage to Senior Citizens during the tourist season of May 1 through October 1, effective immediately, and **TAKE OUT**

BE IT FURTHER RESOLVED that the Marine Highway System develop a constant and regular schedule and become a link between the major cities of the Prince William Sound, namely Cordova, Valdez and Whittier.

Sponsored by Stan Stephens, Stan Stephens Charters
Brad Phillips, Phillips Cruises
Harry Wheeler, Alaska Sightseeing Tours

presented at the Voice of the Membership, MOTION PASSED TO PUT RESOLUTION ON AGENDA, October 15, 1988

AMENDED AND ADOPTED by the membership on October 15, 1988

F-1

State of Alaska
Office of the Governor
P. O. Box A
Juneau, Alaska 99811

November 11, 1988

Attention: Honorable Steve Cowper, Governor

Re: Alaska Marine Highway Policy - Prince William Sound

Dear Governor Cowper:

We spoke with you in Tok last month regarding the policy of the Alaska Marine Highway as it relates to the M/V Bartlett and M/V Tustumena incursion into Columbia Bay during the tourist season on their passage from Valdez to Whittier.

In brief, the ferry is intruding upon the work of private industry and by doing so the private carriers increasingly find themselves in financial jeopardy. It is simply wrong for the state to be in business doing a job that private industry can do; especially when private industry is willing and able to perform the task.

Please find enclosed a copy of a resolution passed by the Greater Copper Valley Chamber of Commerce, signed and dated November 7, 1988, asking you to see that the movements of the ferry are confined to that of being a link between the primary towns in the Prince William Sound, namely Cordova, Whittier and Valdez.

Please give this matter your attention so the results of the decision you make can be reflected in the Summer Marine Highway Schedule.

Please forward a reply once your decision is made.

Sincerely,

L. Alan LeMaster, President
Gakona Junction Village; and President
Alaska Highways Marketing Network and Member
DOT&PF TODS Taskforce

cc: Hon. Jack Coghill, Senator District J
Hon. Dick Shultz, Representative District 17
Mr. Mark Hickey, Commissioner DOT&PF
Mr. George Davidson, Deputy Commissioner DOT&PF
Mr. Douglas Burton, Traffic Manager Ak. Marine Highways
file

SCR

33



*Department of Transportation
and Public Facilities*

POSITION PAPER

BILL NO: SCR 33

APPROVED:

[Handwritten Signature] FT

TITLE: Lighting for Glenn Highway

DATE: February 24, 1992

The Department of Transportation and Public Facilities supports this resolution to extend the continuous lighting on the Glenn Highway from the Hiland Interchange to the Artillery Road Interchange.

The estimate for design and construction of continuous lighting for this location is \$400,000. If federal aid highway funds are used, the federal share of the project is 90%; the state share is 10%.

The annual maintenance cost for the additional luminaries would be about \$30,000, based on a monthly charge of between \$30 to \$40 for each light.

ALASKA STATE LEGISLATURE



P. O. Box 770296
Eagle River, Alaska 99577
(907) 694-6683

1111 C Street, Suite 540
Anchorage, Alaska 99503
(907) 561-8459

State Capitol
Juneau, Alaska 99801-1182
(907) 465-3711

SENATOR SAM COTTEN

TO: Senator Curt Menard, Chairman
Senate Committee on Transportation

FROM: Senator Sam Cotten

DATE: March 4, 1992

RE: SCR 33 - Supporting Glenn Highway Lighting

Thank you for scheduling SCR 33 before the Senate Transportation Committee. I introduced the resolution which requests that the Department of Transportation and Public Facilities use federal highway funds to design and construct lighting to make a well travelled section of the Glenn Highway less dangerous.

As noted in the resolution, this particular Northbound section of the Glenn Highway has a heavy traffic volume with over 17,000 vehicles each day. Drivers merge from three to two lanes before being descent on a fairly steep grade. Combined with the abrupt ending of lighting, this creates a potentially dangerous situation, particularly during more severe weather conditions.

I believe that the safety factors I mentioned, as well as the heavy daily traffic flow justify extending lighting to include the Eagle River Bridge.

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 2/18/92

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

Transportation Committee considered SCR 33

Relating to funding for design and construction of continuous lighting between the Hiland Interchange and the Artillery Interchange on the Glenn Highway.

and recommends:

replace with _____ CS _____ ()

attaches amendment(s)

adopts _____ Letter of Intent

further referral to the _____

same title
 new title
 technical
title change
(HB only)

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES: Dept/Date

zero fiscal notes _____
Senate Transp. Comm / 3/5/92

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date

Governor's bill with fiscal notes:
zero fiscal notes _____

fiscal notes _____

DO PASS:

OTHER RECOMMENDATIONS:

[Handwritten signatures]

Chair: Signature and Recommendation

[Handwritten signature] AD PAS

FISCAL NOTE

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

BILL NO. SCR 33

Revision Date: March 5, 1992 Department Affected: None
 Title: Relating to funding for continuous
Lighting on Glenn Hwy. Component: _____
 Sponsor: Senator Sam Cotton
 Requestor: Senator Curt Menard COMPONENT SERIAL NO.

--	--	--	--

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
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 FUND SOURCE:	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Senator Curt Menard/ IMM Phone: 465-2679
 Division: Senate Transportation Committee Date: March 5, 1992
 Approved by Commissioner: Senator Curt Menard, Chairman
 Agency: _____ Date: 3/11/92



Alaska State Legislature

SENATE

Official Business

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

~~*~~ WAIVE 5 DAY NOTICE
HEARING

TO: Senator Curt Menard, Chairman
Senate Transportation Committee

FROM: Sam Cotten *SC*

DATE: 2/28/92

RE: SCR 33 Continuous Lighting on the Glenn Highway

Please consider scheduling SCR 33 for a hearing before the Senate Transportation Committee at your earliest possible convenience. The Department of Transportation and Public Facilities has indicated support for SCR 33 (see attached memorandum of 2/24/92).

MARCH 9th
STATE BUSINESS

ALASKA STATE LEGISLATURE

□ P. O. Box 770296
Eagle River, Alaska 99577
(907) 694-6683

□ State Capitol
Juneau, Alaska 99801-1182
(907) 465-3711

□ 3111 C Street, Suite 540
Anchorage, Alaska 99503
(907) 561-8459

SENATOR SAM COTTEN

TO: Senator Curt Menard, Chairman
Senate Committee on Transportation

FROM: Senator Sam Cotten

DATE: March 4, 1992

RE: SCR 33 - Supporting Glenn Highway Lighting

Thank you for scheduling SCR 33 before the Senate Transportation Committee. I introduced the resolution which requests that the Department of Transportation and Public Facilities use federal highway funds to design and construct lighting to make a well travelled section of the Glenn Highway less dangerous.

As noted in the resolution, this particular Northbound section of the Glenn Highway has a heavy traffic volume with over 17,000 vehicles each day. Drivers merge from three to two lanes before being descent on a fairly steep grade. Combined with the abrupt ending of lighting, this creates a potentially dangerous situation, particularly during more severe weather conditions.

I believe that the safety factors I mentioned, as well as the heavy daily traffic flow justify extending lighting to include the Eagle River Bridge.

SJR

23

Post-It™ brand fax transmittal memo 7671 # of pages 1



To	Sen. Menard	From	H. Springer
Co.		Co.	AGC
Dept.		Phone #	
Fax #	465-3756	Fax #	

ASSOCIATED GENERAL CONTRACTORS OF ALASKA

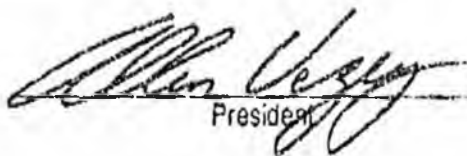
1011 D STREET • ANCHORAGE, ALASKA 99501
 PO BOX 261577 • ANCHORAGE, ALASKA 99524-0577
 TELEPHONE (907) 561-5154 • FAX (907) 562-6118

A RESOLUTION OF THE ASSOCIATED GENERAL CONTRACTORS OF ALASKA REQUESTING THE ALASKA STATE LEGISLATURE TO PASS A RESOLUTION TO PUT THE 1992 GENERAL ELECTION BALLOT A CONSTITUTIONAL AMENDMENT TO DEDICATE TRANSPORTATION USER FEES TO TRANSPORTATION SERVICES

- WHEREAS, fluctuating oil prices create instability in budgets which are dependent on oil revenues, and
- WHEREAS, stability is needed for a proper management of capital assets and for industry to be prepared to manage those assets, and
- WHEREAS, oil production from Prudhoe Bay is expected to decrease, and as a result, the State's oil revenues will also decrease, and
- WHEREAS, the State's transportation systems are too important to Alaska's economic vitality to be subject to this downturn in revenues, and
- WHEREAS, the costs of maintenance and repair brought on by use of the transportation system should be paid by users of the system, and
- WHEREAS, user fees are the most equitable and fair, and therefore the most reasonable source of funding for expenses related to the Alaska transportation system, and
- WHEREAS, dedicated user fees are needed to ensure that these fees go to transportation services and create the connection which will allow adjustments to the levels of revenues being collected, based on needs, and
- WHEREAS, the dedicating of user fees in the State of Alaska requires that voters approve an amendment to the Constitution,

NOW, THEREFORE, BE IT RESOLVED by the Associated General Contractors of Alaska that it requests the Legislature to pass a resolution to put on the 1992 general election ballot a Constitutional Amendment to dedicate transportation user fees to transportation services.

PASSED AND ADOPTED BY AGC OF ALASKA ON THIS 10TH DAY OF FEBRUARY, 1992.


 President



April 30, 1991

Position Paper

SJR 23 - Transportation Fund

The Alaska Municipal League supports the purpose behind SJR 23; to ensure that Alaska's transportation system is adequately maintained. SJR 23 proposes that the Constitution be amended to allow that fees and taxes on fuel be dedicated to the maintenance and operation, as well as the construction, of transportation facilities. The AML requests that the resolution be amended to include that an equitable portion of the funds be returned to local governments for transportation purposes.

An adequate transportation system is critical to the economic and community development of the State. The origin and destination of most traffic, whether by surface, air or water, are the municipalities around the State. The majority of the fuel is purchased in municipalities. And, the network of transportation facilities within municipalities is a critical link in the State's transportation system.

While the majority of the State's transportation system is built and maintained by the State of Alaska, some of the system is built and/or maintained locally. The responsibility for local transportation system improvements and maintenance will undoubtedly increase as general state financial assistance to municipalities continues to decline. In order to provide funds for local improvements and maintenance and to gain additional support for the Constitutional amendment, the AML requests that SJR 23 be amended to provide for an equitable sharing in the dedicated funds. An equitable share to be returned to local governments, whether based on road miles, airport activity etc., can be determined upon implementation at a later date.

AML requests the following amendment on Page 1, line 15:

"...by law, shall be placed in a transportation fund. The transportation fund shall be used for the maintenance of all state-maintained Class 1, Class 2 and Class 3 roads in existence as of January 1, 1990, regardless of future ownership or maintenance responsibility. In addition, all municipal and state-owned airports and harbors, as well as the Alaska Marine Highway System, shall share equitably in the fund. The legislature may appropriate from the fund..."

sab6:tranfund

DEDICATED FUNDS - THE CONSTITUTIONAL CONVENTION DEBATE - PRO & CON
abstracted by Dr. Joe Sonneman, Esq.

IN FAVOR OF DEDICATED FUNDS

Delegate Marston (2370): [We pay lots of taxes, gas tax [in Spenard], and they are happy dollars ... because we are going to get roads out there.... We have happy dollars in that treasury because it is earmarked for roads and happy dollars are the best kind of dollars and there will be more dollars in there.

Delegate Peratovich (2369): There are some benefits from [dedicated funds]. ... [At least three] school houses [were built with] funds from a cigarette tax. [Small communities' little airstrips, floats, and little strips of roads were built] on the gas tax. ... Now I do not say that we should go over-board and earmark all the revenue that we take in ... but I think we are going to have to realize that there is some good derived from such a program.

AGAINST DEDICATED FUNDS

Delegate Awes (____): [E]armarking is one of those things that grows and grows and never dies....

(2368) In theory I think that earmarking is bad.

It is inefficient, undoubtedly, because it deprives the legislature of that adaptability you get when you take a certain amount of money with no strings attached and allocate it without limitations. I think inefficiency is one of the big arguments against earmarking.

I think the other [big argument against earmarking] is that eventually you get so many funds earmarked that the legislature just does not have the money to work with for current operating expenses. ...

[Although the] argument is often given ... that it is easier to pass along [the cost of] a new tax if you allow earmarking[,] ... [the

Committee felt ..., after seeing the extent to which earmarking is growing in the states and the impossibility of doing away with earmarking once you get it, that the advantage is weighed in favor of limiting earmarking and that is [why] ... we adopted the provision that we did.

Delegate Gray (2367): [If the legislature automatically appropriates the same amount, but] doesn't earmark it[, agencies would have a talking point for the next appropriation to be the same also. They haven't been precluded, they just have to sell their viewpoint to the legislature and if they need the money, why they probably could get it if they could talk them into it.

Delegate White (2367): They have to sell their viewpoint [to the legislature] along with everyone else.

(2364): If you accept the principle of not earmarking, it puts everyone in the same position and that the legislature will then be in the position being able to decide each case on its merits.

If you ... allow for earmarking or start drawing up all the exceptions that everybody would want to have drawn up, you are then back to the situation that most states now find themselves in, where an ever-increasing percentage of their revenues are earmarked for special purposes and an ever-decreasing amount is available to the general fund.

... [In] Texas ..., where 90 per cent of all their funds are earmarked[,] ... the legislature has only 10 per cent left to work with ... and the legislature loses control that it should have over the workings of state government.

(2415) [I]f the end product [of a dedicated fund] is good and desirable it is perfectly reasonable to assume that future legislatures will

FY/90 REVENUE FLOW COMPARISON

ESTIMATED REVENUES

Highway Fuels	\$25,389,810
Aviation Fuels	5,072,167
Marine Fuels	8,966,482
License Fees	21,263,136
Airport Facilities	1,942,400
Total	\$62,633,995



TRANSPORTATION FUND

Municipal Share

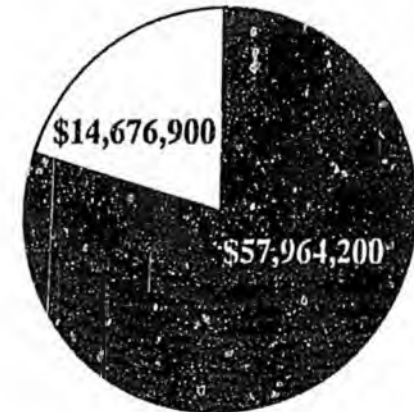


\$136,684



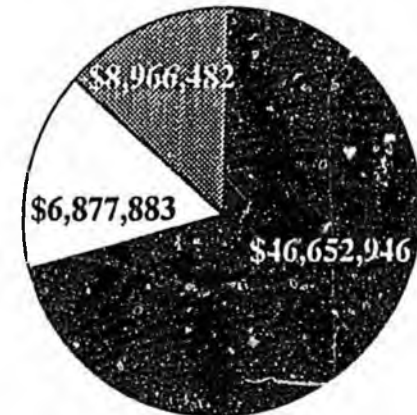
- Highways
- Aviation
- Marine

Actual M&O Expenditures
by Mode
\$72,673,400



*\$32,300 for Marine
too small to show on graph

Projected M&O Expenditures With
Dedicated Fund by Mode
\$62,497,311



CORRECTION

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

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(2415) [I]f the end product [of a dedicated fund] is good and desirable it is perfectly reasonable to assume that future legislatures will

see it the same way and will appropriate sufficient funds to carry out the programs....

Delegate Hermann (2409): [The real evil inherent in earmarking is that it so often leaves the general fund short of funds on which to operate.

(2383) Alaska has a potential of such magnitude that its future cannot be reasonably predicted by anyone. I should hate very much to see [funds constitutionally dedicated] because I very strongly feel that [they] are not going to be necessary as earmarked funds for too long

Delegate Poulsen (2408): [If you strike [the prohibition against dedicated funds] there will be more and more earmarking. It can become a political issue. People will ... [say] if you vote for me, I'll see to it that this is earmarked for a swimming pool, or some such thing.

Delegate McCutcheon (2408): [The earmarking of funds is the fashion in which higher taxes are foisted upon segments of industry or the public. ... [But] it is not a matter of good fiscal arrangements to be taxing segments or classifications of our society or industry for special purposes at higher rates than should be charged or properly assessed....

Delegate Barr (2407-08): In Colorado, approximately 90 per cent of the tax collections are earmarked. In Texas, 85 per cent[.] Kansas has over 140 dedicated funds which embrace over 80 per cent of the state's revenue. ... [O]nce it's earmarked, it's frozen. ... [I]f you want a fight on your hands, just try to get [an earmarked fund] unearmarked. ... [A]ll you have to do is earmark another fund and it will never be unearmarked. ... [W]e will end up like poor old Texas and Colorado.

(2370-71) When the final appro-

priation bill comes out it is a compromise between the requests of all the different departments. I am sure [the legislature] would never appropriate a large amount for a certain department if it were more needed in some other department. They always take that into account.

Delegate Nordale (2406): [It is a very difficult thing to unearmark funds once they're set that way because your lobby groups are very powerful....

NOTE: (numbers) = Con.Conv. pages
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Dedications also shift budget control away from the Governor and the Legislature

1) even though formula funding has already diminished governmental control over state budgets

2) even when emergencies such as an Anchorage earthquake or a Fairbanks flood will require other spending patterns,

3) even when the public changes its mind about what it wants done,

4) even when a new Governor takes office with different plans,

even though the ability to shift funding between Departments and sectors is very much what the Legislature and Governor are elected to do. So dedications are anti-democratic.

A democratic people should be able to petition the Government for redress of their grievances. Dedications make the people's ability to change events impossibly more difficult than is already the case.

--Joe Sonneman, Ph.D., J.D.,
Public Interest Lobbyist
324 Willoughby, Juneau 463-2624

FY/90 REVENUE FLOW COMPARISON

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\$136,684

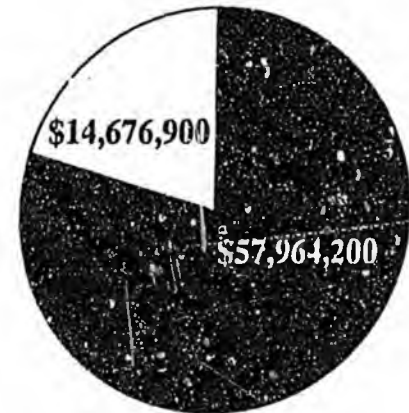


TRANSPORTATION FUND



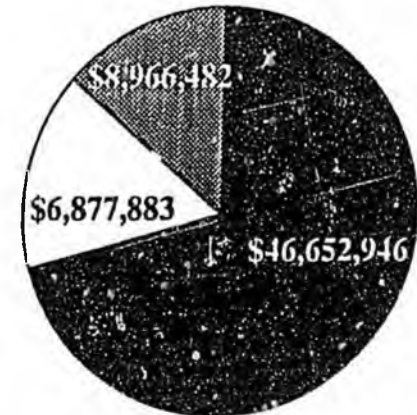
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Projected M&O Expenditures With
Dedicated Fund by Mode
\$62,497,311



FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SJR 23

Revision Date: 4/8/91 Department Affected: Office of the Governor/Elections
 Title: Amend. to the Const./Create a BRU: Division of Elections
Transportation Fund Component: II - Primary and General Elections
 Sponsor: Senator Jones
 Requestor: Transportation COMPONENT SERIAL NO.

0	0	2	2
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		2.2*				
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		2.2*				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		2.2*				
FEDERAL FUNDS						
OTHER						
TOTAL		2.2*				

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: -0-

ANALYSIS: (Attach a separate page if necessary.) *This figure covers cost of inclusion of information about this issue in the Official Election Pamphlet as required by AS 15.58, and programming for DataVote counting of votes cast on this measure. However, only 4 measures can be printed on a single ballot card. Should this measure require printing an additional ballot card, the fiscal impact would be: 53.4.

Prepared By: Elizabeth Ziegler, Deputy Director Phone: 465-4611
 Division: Elections Date: 4/8/91
 Approved by Commissioner: *Charles E. Hickstein*
 Agency: Division of Elections Date: 4/8/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SJR 23

Revision Date: April 25, 1991
 Title: Proposing amendments to the Constitution of the State of Alaska creating a transportation fund
 Sponsor: Senator Jones
 Requestor: _____

Department Affected: Revenue
 BRU: Revenue Operations
 Component: Treasury Management

Component Serial No.

	1	2	1
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL				5.0	5.0	5.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	5.0	5.0	5.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)


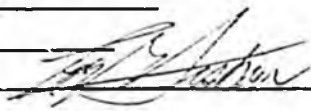
GENERAL FUND						
FEDERAL FUNDS						
OTHER: Transportation Fund				5.0	5.0	5.0
TOTAL	0	0	0	5.0	5.0	5.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: Assumes an independent audit beginning in FY 95 for FY 94, the first year of funding. Contractual requirements may be more if fund accumulates substantial money requiring investment related fees.

Prepared by: Brian C. Andrews  Phone: 465-2350
 Division: Treasury Date: April 25, 1991
 Approved by Commissioner: 
 Agency: Revenue

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).