

Marine Transportation Advisory Board
Juneau, Alaska

Minutes
March 9, 2010

CALL TO ORDER

Chair Mike Korsmo called the meeting to order at 9:00 am at the DOT&PF Headquarters Building, 3132 Channel Drive, Juneau, Alaska.

ROLL CALL

Marine Transportation Advisory Board members present: Robert Venables, Maxine Thompson, Cathie Roemmich, Mike Korsmo, Gerald Hope, Clay Koplín, Seth Church, Mark Eliason, Shirley Marquardt (by phone); Patrick Owen was excused.

INTRODUCTION OF THOSE PRESENT

DOT&PF/AMHS staff: Capt. John Falvey, Cyndi Ivey, Chuck van Kirk, Jessie McCarron, Richard Leary, Jim Beedle, Jim Potdevin, Kerri Traudt, Danielle Adkins (by phone) and Andy Hughes.

Members of the public: Leo Luczak, Dave Kensinger, Hannah McCarty, Weston Eiler, Candi Scudero, Sandy Williams, Chip Thoma, Tony Strong, Jamey Cagle, Arlene Dilts Jackson.

APPROVAL OF MINUTES

Gerry Hope moved and Seth Church seconded the motion to approve the minutes as corrected. Maxine Thompson asked that the minutes (Public Comments) reflect her concerns about no one met with the communities regarding the Short Sea Project. The minutes were corrected to state that Ms. Thompson and Mr. Hope were appointed as MTAB liaisons for the Short Sea Project. Mr. Hope asked that his quarterly teleconferences with Petersburg and Wrangell be reflected in the minutes.

APPROVAL OF AGENDA

Gerry Hope moved to adopt the agenda with the addition of a tribute to J.C. Conley. Mr. Hope asked that DOT&PF Information regarding Baranof Warm Springs be added to the agenda under X. SATP UPDATE. Mark Eliason seconded the motion. Motion passed unanimously.

TRIBUTE TO J.C. CONLEY

The Board remembered J.C. and his contributions - not only to Southeast Alaska but to the State of Alaska.

PUBLIC COMMENTS

Dave Kensinger spoke to the intent of AS 19.65 which established MTAB, the current Board set up and the board's involvement in developing the long range plan. Mr. Kensinger reminded the Board the legislative intent was that the Board be a policy board to advise the department how to proceed.

Chip Thoma complimented staff and the board on the February 19 presentation to the joint House and Senate Transportation Committees.

REPORT FROM THE CHAIR

The chair thanked Robert Venables for attending and testifying before the joint House and Senate Transportation Committee on behalf of MTAB as a last minute stand-in for the Chair who was unable to fly into Juneau due to fog. He also extended his appreciation and thanks to Maxine Thompson and Patrick Owen for attending.

Mr. Korsmo reported the board's success with its recommendations during the current legislative session: (1) May and June FVF *Fairweather* service to Sitka; (2) \$60M to the vessel replacement fund plus an additional \$60M in federal funds; (3) additional funds to allow the M/V *Kennicott* to operate cross-gulf during the summer.

He reported that he had not immediately send the letter, as per the motion passed at the last meeting, to the administration to begin the process of replacing the engines on the fast ferries because the staff was working on the issue. The letter was sent.

A letter was sent to the commissioner requesting a work session on the Southeast Alaska Transportation Plan; the work session has yet to be scheduled.

The chair reiterated his interest in having a board meeting in Cordova in the spring.

Cathie Roemmich noted that Seth Church had been selected as one of the State Chamber of Commerce's Top 40 under 40.

STAFF REPORTS

Capt. Falvey discussed the mechanical situation with the engines on the fast ferries. The replacement cost of the four engines per boat is estimated to be \$30 million. The *Fairweather* is expected to be certified to sail until January, 2011 at which time the engines will be looked at again. Currently there are no operating restrictions on the FVF *Chenega*. A date for mediation on the engines has not been set. The boats are currently under warranty but legal limitations expire at the end of March. It was agreed that MTAB is committed to seeing that the fast vehicle ferries stay in the system.

The fast ferry engine situation will be an agenda item for the next meeting.

Prince William Sound Winter 2010/2011 Schedule

Clay Koplín, Jim Beedle and Chuck van Kirk reported on the recent community meeting held in Cordova to discuss an interim emergency schedule. There will be one less trip

per week per community with the M/V *Aurora* than there would be with the *Chenega*. It was an excellent meeting underscoring the importance of communication and planning.

Chuck van Kirk reported that the M/V *LeConte* will be out approximately seven months for repair during 2010/2011. As a result, small communities in Southeast will be impacted; the *Fairweather* will be traveling to Angoon provided changes to the dock are made. Currently the *Aurora* runs 24/6. An alternative being discussed is to run the *Chenega* four days each week in Prince William Sound during the winter; November 1 through January 31 it would not do triangle route due to the number of daylight hours.

Following a lengthy discussion, it was agreed that notices for hearings on proposed schedules need to be sent well in advance of the hearings and related materials can follow as soon as available.

Clay Koplín requested that a Valdez to Whittier fare be established in addition to the Valdez to Cordova fare for those people only going to Whittier. Fare discounts were discussed briefly and it was agreed that it would be an item on the next agenda.

MTAB Website Update

Jessie McCarron updated the Board on the website progress: tentative launch date is April 5; need additional email address information; group calendar; tentative review date. It was agreed to have an internal review and approval of the site before it becomes available to the public. The Board also discussed what materials should be on the site and what the archives should include. It was agreed that past agendas, meeting notices, minutes, the operating charter would be on the site.

SYSTEMS ANALYSIS UPDATE

Jim Beedle gave an update of the Systems Analysis, an independent study conducted by the University of Alaska Fairbanks to look at the total cost to operate the Alaska Marine Highway System. The study looked at several options and priced them out. One of the operations involved Juneau Access which doesn't fit into the University's time frame any longer. A draft will be presented to AMHS management to insure consistency within the plan and the department.

Mr. Korsmo asked if the resolution passed by the SE Conference Transportation Committee to ask MTAB to ask AMHS staff for a detailed operations cost based on the various operations scenarios envisioned for the Alaska Class Ferry would be answered by the study. The Board requested that the white paper outlining costs for three Alaska Class ferries be updated and provided to the board.

SATP UPDATE

Andy Hughes updated the Board on the status of the Southeast Alaska Transportation Plan (SATP). The Commissioner was given a working draft and directed staff to reconcile figures and data with AMHS. He also directed the plan be reformatted; staff

will also be making revisions as directed in order to make the plan more easily understood by all who may read it. A date was not set for a work session.

Mr. Hope inquired about the Baranof Warm Springs Road, what research had been done and is it available. Mr. Hughes responded that an environmental impact study had been initiated with information developed before the study was closed down due to lack of funding. The study was followed up with an updated reconnaissance effort which produced current cost estimates – capital, operating and maintenance costs. Mr. Hughes stated the City and Borough of Sitka has a renewed interest in Sitka to Warm Springs Bay route because of the proposed Takatz Bay hydro project which will serve all of Sitka and follows the Warm Springs Bay road alignment with the power line.

Mr. Korsmo asked about the Alaska Transportation Plan Shuttle Ferry Study and the data contained in it. Mr. Hughes responded that the study is one of several supporting efforts of the plan update. It will become part of the appendices of the SATP.

Maxine Thompson asked that a position paper be prepared for MTAB addressing the open vessel for cars design. The design doesn't work well in Southeast Alaska due to the weather.

SHORT SEA PILOT PROGRAM UPDATE

Ms. Thompson commented on the importance of ferry service to outlying areas.

Mr. Hope provided background of the Short Sea Pilot Program noting it is a work-in-progress and there is an interest in gaining information. Mr. Hope stated what's critically important for MTAB is what is the impact and how is there going to be a coordinated effort.

The Board and representatives from Tlingit & Haida discussed the pilot program at length.

Ms. Dilts-Jackson and Mr. Hope asked Deputy Commissioner Beedle for a commitment; Mr. Beedle stated that AMHS' commitment is the budget received from the legislature. Future commitments aren't possible because of unknown budgets. The Short Sea project could have financial implications for AMHS, i.e., walk-on passengers. Mr. Hope clarified his commitment request to be a communication commitment and that serious discussions need to happen.

Gerry Hope moved that the Short Sea Pilot Program be an ongoing agenda item. Seth Church seconded the motion. Motion passed unanimously.

It will be placed on the agenda as an update and staff will be advised for scheduling purposes, if the update will require a large amount of time.

ALASKA CLASS FERRY DISCUSSION

Jim Beedle shared with the Board his recent presentation to Southeast Conference and answered questions from the Board about the number of boats, funding, bid processes.

Mr. Beedle explained that money in the AMHS Vessel Replacement Fund can't be spent without legislative authority. The cost of the boat won't be known until a design RFP is awarded and a final design is prepared. He also explained the issue of whether or not the project is considered federal, what affect that will have on the bid process and may determine whether or not it can be built at Alaska Ship and Dry Dock.

Seth Church moved to move agenda item XIII. Board Roles and Responsibilities and XV. Action Items to the next meeting. Gerry Hope seconded the motion. Motion passed unanimously.

MTAB STATUTE

It was agreed to clarify the intent of the language with the bill's sponsor and report back at the next meeting.

The Chair stated his intention to continue to pursue a work session with staff on the Southeast Alaska Transportation Plan. The Board will be involved with all of the transportation plans as they come up for updating. Mr. Venables recommended reviewing regional plans in advance and working proactively with the communities.

ACTION ITEMS

Mr. Korsmo asked Dick Leary when the white paper on detailed operations costs based on the various operations scenarios for the Alaska Class Ferry would be available. Mr. Leary responded that staff would begin work immediately on the report.

BOARD DISCUSSION

Frank Richards, Deputy Commissioner for Highways and Public Facilities, reported to the Board that HB 329, Alaska Transportation Infrastructure Fund, had moved out of the House Transportation Committee and was moved to the House Finance Committee. The bill, if it passes, will set up an endowment fund for public transportation in Alaska.

Gerry Hope moved to draft a letter to the legislature in support of HB 329. Motion died for lack of a second. Mr. Korsmo will get information to the Board.

NEXT MEETING

Mr. Korsmo will review the schedule for a date to meet.

ADJOURNMENT

The meeting adjourned at 4:20 pm.

