

Marine Transportation Advisory Board

Hotel Captain Cook, Anchorage

December 15, 2011 – 9:00 a.m.

MINUTES

1. CALL TO ORDER

Chairman Robert Venables called the meeting in Anchorage to order at 9:00 a.m.

2. OPENING REMARKS BY COMMISSIONER LUIKEN

Commissioner Luiken welcomed MTAB to Anchorage and greeted others present. He stays informed on AMHS-related business from Deputy Commissioner Neussl, and has been pleased with the hard work of the board. He congratulated Chair Robert Venables and Vice Chair Mark Eliason on their smooth transition taking over the leadership of the advisory board, and he thanked former Chair Mike Korsmo for his ongoing dedication and past years of serving as chair. He thanked the board and DOT & PF officials for their stable and persistent work on the Alaska Class Ferry project. He said it demonstrated the excellent team effort made working with the design company and Alaska Ship and Drydock. He said that the partnership with the design company (Elliott Bay Design Group in Seattle) and Alaska Ship and Drydock are a good example of how the process can work by bringing together two groups for the purpose of building a superior ferry. Senator Stedman has included the \$60 million dollars for the Alaska Class ferry, and the Governor is recommending that the monies be taken out of the savings account to be put in the “checking” account. This demonstrates the commitment to fully fund the ferry.

Lastly, Commissioner Luiken wanted to encourage everyone involved, both board and officials, to orient the thinking to the “big picture,” and particularly to prioritize statewide impacts. His personal philosophy as commissioner is to emphasize the statewide impacts on all projects. He receives advice and briefing through DOT & PF officials as relates to AMHS to best benefit Alaskans in the “big picture” mosaic. Commissioner Luiken felt that the MTAB letters of recommendation to both the DOT & PF planners with regard to SATP and to the Governor regarding FY 13 budget priorities succeeded in MTAB’s endeavor to “get the conversation started.” He stated that the final version of the UAF study should be released to the public by the end of the year.

3. ROLL CALL

Marine Transportation Advisory Board members participating: Chair Robert Venables, Vice Chair Mark Eliason, Captain Ron Bressette, Gerry Hope, Tim Joyce, Mike Korsmo, and Maxine Thompson. Josh Howes, Shirley Marquardt and Cathie Roemmich were excused. Board member Dan Kelly attended via teleconference. A quorum was established.

4. PHONE ROLL CALL

VIA TELECONFERENCE: Doug Ward, Alaska Ship and Drydock; Dick Leary, DOT & PF; Amanda Rue, Juneau 4-H; Jim Sidney, Swampy Acres of Juneau; Sharon Crowe, Fairweather Equestrian Horse Center in Juneau; Costa Alton, Auke Bay Ferry Terminal; Jennifer Gibbons, Cordova Times; Bonnie Gruening, Representative Cathy Munoz' office; Pete Carran, KINY Radio, Juneau; Marty Holmberg, Fairweather Stables; and others undeclared.

5. INTRODUCTION OF THOSE PRESENT: Deputy Commissioner Mike Neussl, DOT & PF, Captain John Falvey, General Manager, AMHS, DOT & PF; Lisa Shrestha, Commissioner's Office, DOT & PF; Frank McQuerry, E Terra, LLC and ARC; Lois Wirtz, Alaska Travel Industry Association (ATIA); Randy Ruedrich, Arctic E & P Advisors; Ron Peck, ATIA; and Pete Ecklund, Representative Bill Thomas' Office.

Chair Robert Venables addressed the Board and those present. He thanked the Commissioner for his remarks and invited him to stay for as much of the meeting as his schedule allowed and announced that MTAB has been invited to attend the Annual Membership Meeting of the Anchorage Convention Center for their luncheon today, where the Mayor of Anchorage will be speaking.

6. APPROVAL OF AGENDA

MOTION: Board member Gerry Hope moved to accept the agenda as submitted, but with the addition of a short discussion and decision to send a letter to the Senate Finance Committee. Board Member Mike Korsmo added that it made sense to add this as an addition, and seconded the motion. The motion passed unanimously as amended.

7. APPROVAL OF MINUTES

MOTION: Mark Eliason moved to accept the Minutes of 10-14-11 as submitted. Board member Gerry Hope seconded. A discussion followed on organization of the Minutes. Board member Maxine Thompson asked that bulleted items be presented in future in an A-B-C or 1-2-3 manner for ease of reference back to the meeting agenda, examples being the recent letters to Andy Hughes of DOT & PF with SATP recommendations and the letter to the Governor with FY 13 recommendations. Board member Mike Korsmo requested that on page 7, during Dick Knapp's comments to the Board, that the association Mr. Knapp represents, CPR (Citizens Pro Road) be identified again; and that as currently recorded Mr. Knapp's comments seemed to indicate that MTAB was in favor of alternative # 5, when in reality the board found favor with *several elements* of #5. Board member Gerry Hope moved to accept the Minutes as amended, Board member Korsmo seconded, and the motion passed unanimously.

8. PUBLIC COMMENTS

Chair Robert Venables opened the meeting to Public Comments.

By teleconference, Jennifer Gibbons with the Cordova Times said that she was speaking in part on behalf of newspaper readership as well as chamber board members (of which she is a member) and for local merchants who have been adversely affected by ferry cancellations due to weather issues. She believed that when a ferry is cancelled, the missed service is not always compensated. Because of this, there has been difficulty getting provisions to grocery stores, specifically holiday items at this time of year. She did note that one additional trip was added due to a recent cancellation.

Deputy Commissioner Neussl thanked Ms. Gibbons for her comments, and said that safety must be the first priority and often because of the poor weather or subsequent day's schedule, it isn't always feasible to add another ferry trip. Hopefully, he added, the Aurora will be back in service and will offer reliable winter service in the Prince William Sound.

Chair Venables said that the ferry system does indeed play a vital role in the flow of goods and services, particularly in the communities that rely heavily on ferry transportation, and that everyone is aware that cancellations interrupt delivery. Board member Tim Joyce commented that adverse weather also affects airline and road travel as well. Captain John Falvey said that each cancellation is taken on a case by case consideration, and that in arranging an additional ferry to cover for a cancellation, AMHS has to contemplate crew logistics as well.

Board member Maxine Thompson asked about the contact policy in the situation of a ferry traveling with produce or baked goods. Deputy Commissioner Neussl said that there is an effort to minimize impact and to attempt to get in touch with all passengers holding reservations to notify them and rebook. For unaccompanied vehicle traffic, it is important that customers leave good contact numbers for drivers on both ends of the trip so notifications can be made. Chair Venables commented that the system seems very responsive and it is good to know there is a workable system for weather issues and mechanical failures which necessitate cancellations. Board member Mark Eliason pointed out that even a new vessel will have issues occasionally.

Mr. Ruederich with Arctic E & P (Exploration and Production) shared with the group his strong endorsement for the Roads to Resources Project. Mr. Ruederich further shared that if Cordova was in the road system, the area would not have to rely so heavily on ferry transportation. He felt that Southeast Alaska has lost some representation, and stated that roads build a stronger economy. The State will grow, he said, but there must be a way for not only SE but other areas as well to facilitate that growth with effective transportation systems.

Ron Peck with ATIA spoke about Alaska being the largest travel trade visitors industry in the nation, larger even than Texas as far as visitors. He has been involved in the industry for over 34 years. He commented that he was very appreciative of the work AMHS has done, and that Danielle Adkins has been instrumental and involved with tourism through her marketing position at AMHS and membership in ATIA. Mr. Peck was also pleased that the schedules were out earlier this year and said that it is

particularly helpful for the tourism industry for plans and bookings, particularly for international travelers, and he wanted to thank AMHS for their diligence in getting the schedules published earlier. He also mentioned that the south central area appreciates the Bellingham to Whittier run. The four-day layover in Juneau during the wintertime is hard to sell, but he does realize that schedules have a lot of considerations to take into account. The Haines-Skagway-Juneau route is a better run now, and is quite popular. The Valdez-Whittier route was one challenge curtailed at the end of August. From a marketing standpoint, it would be valuable to have a full month in August. McDowell & Associates will issue a comprehensive study in February with regard to the travel industry statistics in Alaska. Mr. Peck explained that the study will look at a 10-year timeframe and consider ferry docks, terminals, border systems, and all ports.

Deputy Commissioner Neussl thanked Mr. Peck for his feedback. Board member Tim Joyce asked Mr. Peck to let MTAB know when the McDowell & Associates study comes out. Board member Mark Eliason added that it would be valuable to have additional hours of operation for the reservation system. He felt it is somewhat antiquated to have it limited as it is currently. Chair Venables mentioned that it was beneficial to interact with the travel industry professionals, and that MTAB had advocated for earlier schedules, so it was helpful to know that had been useful and appreciated. Mr. Peck announced the next meeting date of ATIA for January 24 and 25 in Juneau with the annual meeting dates set for October 9-11 in Anchorage.

9. REPORT FROM THE CHAIR

Chair Venables gave a brief overview of activities in follow-up to the last MTAB meeting, and distributed copies of the two official letters, one to Andy Hughes, (DOT & PF) with MTAB's SATP recommendations; and the second to Governor Parnell with FY13 funding recommendations. Both issues will be discussed later in the agenda.

10. AMHS STAFF REPORTS

A. Horse/Large Animal Policy: Deputy Commissioner Neussl gave an overview of the AMHS and recent changes to policy, specifically to the Large Animal Transport Policy. As a result of environmental regulations the AMHS had instituted a \$1,000 refundable fee with the potential concern of deck runoff, as waste cannot be hosed off the sides of the vessel decks. Concerns by constituents, particularly in Juneau, were taken seriously. Additionally, a letter from the Juneau Delegation of Senator Egan, Representative Kerttula, and Representative Munoz encouraged a look at policy change to ensure that EPA-mandated environmental concerns were covered as well as making the policy amenable to local travelers transporting large animals, specifically horses.

The first change was to separate the personal from the commercial, particularly with regard to fish vans as opposed to large animal transport such as horses. The second change was a reduction in the deposit from \$1,000 to \$500. There have been no incidences of irresponsible clean-up or maintenance of large animal transport, and typical cleanup costs, when investigated, generally can be handled for about \$500. The third change was to not require cash deposit, but to allow for a credit card hold. The AMHS is not actually utilizing or accessing the credit card monies, but is simply holding the information with access to

in the case of an actual charge for cleanup. The fourth change in the policy allows for groups, such as 4-H, to pay the \$500 refundable and held fee to apply and cover multiple horses, in the case of a group traveling for competition. Typically there will be approximately 10-15 horses covered in the charge, but no upper limit of animals has been indicated. The fifth and last change in the policy was to suggest to horse owners who need the ability to take their horses off to walk them and attend to their needs, to buy a ticket from their departure port to Ketchikan, and another ticket from Ketchikan to the destination port, which will allow their transport vehicles to be placed on the ferry in a manner to allow disembarking and re-embarking the animals at the intermediate stop.

Chair Venables commented that the new policy change is comprehensive and responsible, and seems to address the concerns voiced in recent months. He encouraged meeting participants to comment on the new policy.

Sharon Crowe addressed the board, saying she still had one concern regarding the trailer liner material required for transport. She stated that she cannot use sand and dirt to line the trailer and that the use of chips or pellets are more absorbable, and that sand and dirt simply are not. She said she is pleased with the changes that AMHS has instituted, and thanked the board and DOT&PF officials for their work on this. Deputy Commissioner Neussl stated that officials will look into the subject of materials used for lining the mats in the trailers transporting large animals. Sharon Crowe thanked him for that, and further commented that there is a need to feed hay inside the trailers. Captain John Falvey said that AMHS is taking a close look at the subject of hazardous materials. There was a brief discussion of having a special AMHS customer service desk as opposed to the regular service desk, as some of the horse trailer customers may get routed to customer service and not receive the information/booking specifics they require. Captain Falvey said that they are considering calling the special customer service desk a specialty desk for such situations.

Jim Sidney of Swampy Acres in Juneau brought up the issue of AMHS policy requiring no more than 5 bales of hay. He felt that this was not a feasible policy, as it negates traveling unless the hay goes ahead of the animal, for longer trips particularly. He also felt the bedding items required was another regulation that was making it difficult for horse owners. Deputy Commissioner Neussl responded that the EPA regulates the policy, and that both issues he believed related to the subject of flammable materials. Chair Venables said that MTAB will look into these additional policies and respond back if anything can be done to make the policies more workable with horse owners. Mr. Sidney thanked MTAB and said that the \$500 charge is much better and the policy allowing groups to have one fee for several animals is also much appreciated.

B. Terminal Improvements/Repairs – Vessel Updates

Captain John Falvey of AMHS gave a verbal report to accompany a written document to the board, updating them on all vessel improvements and repairs. He spoke about the 511 System which is now up and running. Captain Falvey commented that it is the intention of DOT & PF to more widely advertise this new system for all those desiring updates on roads and marine highways. He added that there is a link to the 511 on the DOT & PF website. Captain Falvey's report, entitled "AMHS Project Update (Not including Overhaul and Maintenance, as of December 5, 2011)" and his memo to MTAB Members

entitled, "AMHS Update for MTAB Mtg. of 15 Dec. 2011," are included and stand as part of the Minutes herein.

C. Reservation System: 511

There was a discussion of the 511 System and how important it is to keep the system up-to-date with changing conditions. With regard to the marine highways reservation system, Vice Chair Eliason asked if DOT & PF has sought any user input from ticket buyers or travel companies. Captain Falvey indicated that an excellent steering committee was used to solicit input. Vice Chair Eliason added that any RFP associated with it should be specific enough to identify concerns. Captain Falvey felt that there was a very adequate scope identified for soliciting reservations and point-of-service (POS) feedback. Board member Hope felt that it would be valuable to bring the reservation system into a more current format, and he further suggested that there have been requests from the public and board on this but no changes as yet.

Captain Falvey mentioned that AMHS is working with TSA to craft an MOA to use bomb sniffing dogs in ferry terminals. Enhanced security has been a new challenge, with rules and regulations coming from Homeland Security that require coordination.

There was a brief discussion of the Chignik Dock (owned by Trident Seafood); the Angoon Dock; and the recent storm in Cordova, which did significant damage to the dock in that town. Board members discussed timelines for repairs and completion. With regard to Ward Cove, a Central Region DOT & PF engineer is currently performing a feasibility study, looking at the waterfront, traffic flow, and possible vessel configurations including a NOAA ship home port.

Board member Maxine Thompson discussed the Angoon Dock and working out timelines and constraints with ferry and barge service to the area.

Deputy Commissioner Neussl spoke of long-term leasing with the Prince Rupert area, and that DOT & PF is working with the Attorney General's office as well as Canadian officials. He commented upon the recent Fairweather rescue. Board member Korsmo wished to officially thank the crew of the Fairweather for their hard work and excellent recovery of the stranded UAS student on Admiralty Island who received emergency assistance from the crew. Board chair Venables recognized Lisa Shrestha, giving appreciation for her timely notification to the board of AMHS stories in the news. Board member Gerry Hope felt it would be worthwhile to consider sending a letter from MTAB to the crew and legislators. Chair Venables agreed that it was a duty of MTAB to show appreciation to AMHS and he would take that specific issue under advisement.

Before breaking for lunch, Doug Ward of Alaska Ship and Drydock (on teleconference), asked that the issue of the Alaska Class Ferry be moved forward within the agenda to allow him to participate in that discussion. Chair Venables agreed to put the Alaska Class Ferry discussion first on the agenda following the lunch break.

11. LUNCH (Board Officially Re-convened at 1:40 pm)

Chair Venables re-enabled the teleconference with no additional teleconference participants declared since the morning. He announced that Governor Parnell had released his yearly budget this morning at the Captain Cook in Anchorage. He said that the Alaska Class Ferry Update will most likely become a permanent MTAB agenda item in the coming year. Chair Venables welcomed Deputy Commissioner Neussl to make opening remarks regarding the Alaska Class Ferry, AMHS and Alaska Ship and Drydock.

12. ALASKA CLASS VESSEL UPDATE – AMHS, ALASKA SHIP AND DRYDOCK

Captain Neussl commented that the Attorney General’s Office was working with DOT & PF with regard to the Fast Vessel Ferry (FVF) lawsuit. A contract was also being prepared to bring Alaska Ship and Drydock into a more final stage with regard to the Alaska Class Vessel design and production. Input has been solicited from all parties regarding the use of the CMCG process, and it is being internally reviewed by procurement officials at DOT & PF.

Deputy Commissioner Neussl said that he met with Elliott Bay Design officials who have worked on other vessels in conjunction with Alaska Ship and Drydock. The mechanics of working together as a group are being streamlined. The process is moving more slowly than anticipated but it is critical to proceed carefully, and Elliott Bay is working on revised timelines and cost estimates. Captain Falvey reiterated the importance of careful process and continual review. The anticipated timeline was discussed, and approximately one year has been the general range expected, but may be somewhat optimistic. There has been considerable progress made but having a contract in place is necessary first.

Captain Neussl explained that the \$60 million dollars appropriated for the Alaska Class Ferry in the vessel replacement fund (VRF) is not new money; it is just moving money from the VRF to DOT & PF so it can be used. The VRF language change proposal allows interest to be rolled back into the fund. It can be tracked as appropriation through the legislature. Board member Tim Joyce brought up the MTAB letter that indicated support for the proposed appropriation and funding to the Governor. Chair Venables suggested Doug Ward was welcome to join in the commentary via teleconference.

Mr. Ward said that it was good to note that all communities would receive the end service, and that it was indeed a unique and innovative procurement process. He felt good about Alaska Ship and Drydock’s ability to support a process that encourages the building of an efficient ship for the Alaska Class Ferry project, if his company prevails in securing the project. Chair Venables asked him specifically about the one year forecast. Mr. Ward said that without seeing the contract, he would assume about one year for a timeline. There is no analysis available yet but given a one year plus timeframe does seem amenable for a smooth transition from design to the beginning of the build process. There certainly could be a time savings here or there additionally. Board member Gerry Hope commented that it will be interesting to monitor the process for future projects. With regard to the Alaska Class Ferry being a permanent agenda item for future MTAB meetings, Mr. Ward said that he would be available and present at any future meetings.

13. AMHS FY 13 OPERATING AND CAPITAL BUDGET

Deputy Commissioner Neussl briefly reviewed the AMHS related items in the Governor's FY13 budget.

14. BOARD ACTION/RECOMMENDATIONS FOR FY13

Chair Venables said that with the Governor's released budget, it appeared that funding for AMHS projects looked to be at approximately the same level as last year with some obvious adjustments. The board discussed fuel projections and how calculations and estimates are computed. With regard to the Alaska Class Ferry Vessel Replacement Fund, the most direct way to understand the change is that the "savings" has been moved into the "checking" for access. The board discussed the proposed recommendations to the Governor, as outlined in MTAB's letter of October 27, 2011. Board member Eliason commented that with regard to the last bulleted item in that letter, "Annual Appropriations to the Vessel Replacement Fund of at least \$60 Million", he did not see that reflected *specifically* in the newly released budget, and suggested that it might be appropriate to ask about. Board member Joyce said that he also noted that many projects are funded with that one exception. Board member Korsmo suggested that MTAB should consider how to request the money, perhaps by advocating for an additional request through the legislature. The board discussed the MTAB budget, which Deputy Commissioner Neussl confirmed came directly from the AMHS budget.

Pete Ecklund from Representative Bill Thomas' office was encouraged to comment on the matter. Mr. Ecklund explained the legislative funding process and specifically, the fuel trigger. He said that when the fuel prices began to escalate, another pot of money was set aside. As the cost of fuel has increased, for every dollar, depending upon which state department is affected, the Governor's Office can then parcel out to each department a certain percentage for coverage. Deputy Commissioner Neussl offered that allocations happen twice per year. Dick Leary discussed the timelines for allocations with the first being in August, and another in December.

MOTION: Board member Tim Joyce made the following motion: That MTAB send a letter to the 27th Alaska Legislative House and Senate Finance Chairs to consider a transfer of at least \$60 million, including support for items already in the governor's proposed budget for AMHS, along with a provision that retains interest earned within the vessel replacement fund. Gerry Hope seconded the motion.

Chair Venables remarked that all the proposed funding priorities are equally important. MTAB's focus should be to give the best facts possible, and request funding or partial funding as best as possible. This should be MTAB's position as a group. He suggested modeling the letter on the initial letter of October 27, 2011. Board member Gerry Hope said that bulleting is fine, that the board appears to be "on the same page," and that the bulleted items are fairly integrated and quite honestly, all need to be funded. With these key elements integrated, MTAB directed the Chair to prepare such a letter, with a request for a transfer of at least \$60 million, retaining interest in the Vessel Replacement Fund. The Board passed the motion unanimously.

MOTION: Board Member Korsmo moved that MTAB develop and approach the legislature with a proclamation or citation recognizing all AMHS crews for recent rescues and general good stewardship. Board member Joyce felt that the citations should be specific and individualized for crew, rather than general. Captain Falvey added that because crews often move from vessel to vessel, this can complicate choosing who to commend. Board member Joyce suggested the citations list more than one vessel for a specific crew. Board member Gerry Hope seconded the motion with the amendment on the floor to include the provision that MTAB look at just Year 2011 events and cite those vessels involved in rescues. Chair Venables proposed that board member Joyce work with board member Korsmo on specific wording of the citation. Board member Eliason added that because crews are teams of people, and that they are responding to a specific event that occurred at a particular time and place, that the award should go to that ship and crew. Pete Ecklund offered that citations can be made to specific people and a specific vessel. Chair Venables said that this is a fantastic way to recognize the ferry system and the hard working crews aboard the ships, and that he would take it under advisement regarding the specifics but that MTAB should definitely do this. He added that it would be best practice to acknowledge events as they happen in the future. The motion as amended passed unanimously.

MOTION: Board member Gerry Hope moved that MTAB write a letter to the Denali Commission, acknowledging its support of AMHS. Board member Tim Joyce seconded the motion, and advocated that the letter be hand-delivered to the appropriate person at the next Denali Commission Board meeting. The motion passed unanimously.

15. BOARD COMMENTS

Chair Venables opened the meeting to general board comments.

Chair Venables proposed inviting Jeff Ottesen from Program Development or a designee to attend the next meeting. Board member Eliason made a suggestion that it would be advantageous to have a colored age graph showing the entire fleet of vessels. Board member Korsmo agreed that a presentation piece that displayed statistics on each vessel would be a valuable marketing tool.

Board member Gerry Hope observed that it was advantageous to be in Anchorage at the same time that both Commissioner Luiken and Governor Parnell were present as well. He felt that the location and timing of the current MTAB meeting was particularly beneficial, that it was enjoyable to have a travel industry representative (Ron Peck) present, and having senior leadership join in the beginning of the meeting was unquestionably a nice touch. Board member Maxine Thompson said she would like to recognize the hard work of fellow board member Gerry Hope. Board member Mike Korsmo asked Deputy Commissioner Neussl if there had been any recent talk on tariffs, and Captain Neussl responded that the AMHS tariff structure was convoluted and needed to be look at.

Board member Tim Joyce reported on what he had learned in listening to public comment on roads. There are definitely some opportunities to bring solutions to current demand left by available gaps after

blending AMHS service and available roadways. Deputy Commissioner Neussl mentioned the SW Transportation Plan currently being reviewed. The contractor has met with AMHS, and Captain Neussl will keep MTAB informed. Chair Venables felt that the SW Transportation Plan does have an AMHS component, and would appreciate being updated on the status. Bob Doll is involved with re-working the Plan. Chair Venables further stated that MTAB is statutorily charged with providing input to the plan.

Vice Chair Eliason brought up the POS (point of sale) and tracking of AMHS reservations. Because of the nature of AMHS being in the business of promoting ferry reservations, he felt that a marketing plan was important. In terms of new technology, Eliason said, "this is not your grandfather's system." The perception remains in South Central that AMHS needs to be a more customer friendly system, and it may be worthwhile to pitch the new system.

Deputy Commissioner Neussl added a comment regarding the large animal transport policy. While reviewing the transport of animals, including large fish vans, it was noted that some policy is outdated and necessitates review. And to add to what Commissioner Luiken said, MTAB is the eyes and ears of the system, and because of that, Captain Neussl encouraged potential feedback to MTAB. Credit and credit card policies are being reviewed as well as the policy on unaccompanied minors on AMHS. Alaska Statutes do address these issues, and as they come under review, Deputy Commissioner Neussl will inform MTAB.

16. NEXT MEETING AND MEETING SCHEDULE FOR 2012

Chair Venables thanked Deputy Commissioner Neussl for his decisive lead and dedication to his work with marine operations. Chair Venables solicited thoughts from the board with regard to future meeting dates. Because of the second session of the legislature beginning in about a month's time (Jan. 17, 2012), it is necessary for MTAB to meet in Juneau during the session. Deputy Commissioner Neussl said that Commissioner Luiken would like to attend future MTAB meetings, and the Board enthusiastically responded to that announcement. Chair Venables thanked each and every board member for their valuable time, vision and dedication to the advisory board.

17. ADJOURN:

MOTION:

Board member Tim Joyce moved to adjourn the meeting, Vice Chair Mark Eliason seconded, and the Board stood adjourned at approximately 3:10 pm.

Respectfully submitted,
Lisa Shrestha

MTAB:

Inclusion to Minutes of Meeting
12.15.11

**AMHS Project Update
(Not including Overhaul and Maintenance)
As of December 5, 2011**

AMHS Projects under Design Phase

- 68704: Ward Cove Facility
- McGraw Construction has been awarded contract. Preconstruction Meeting forthcoming; estimated completion date is end of June 2012.
- 73098: Reservations and Manifest System
- Waiting on 2012-2015 STIP for authority
- 73100: K-9 Explosive Detection
- 73130: Fleet Condition Survey
- Project is an on-going effort to document each vessel's condition using an Access Database and generating work packages for maintenance and refurbishments by collecting ship's maintenances request (SMR's) and on-site data collection.
- 80729: Terminal Security Cameras

Vessel Projects under Design Phase

- 73028: Fleetwide MSD Upgrades
- All vessel projects have been completed. Taku is in warranty phase until spring of 2012.
- 73068: Tustumena Refurbishment
- Art Anderson has been awarded design contract
- 73086: Malaspina Refurbishment
- Beacon has been awarded design contract
- 73093: FVF Re-engine project
- Elliott Bay Design Group is working on the Purchase Tech Specs and torsional analysis. AG's office has given clearance to engage with MTU.
- 73108: Fleetwide Lifesaving Equipment Upgrades – RFP has been advertised.
- 73117: Aurora Security Systems Upgrade
- Currently being implemented during CIP in Portland.
- 73120: Columbia Repower & Ship System Improvement
- Professional Service Agreement (PSA) with Elliott Bay Design Group.
 - Task 1 (Communications Plan & Schedule) and Task 2 (Review of 2002 Main Engine Replacement DSR) have been completed.
 - Presently negotiating Task 3 – Engine Selection and Detailed Estimate
- 73168: Fleetwide Marine Evacuation Slide Installation
- Phase 4 funding PDA has been issued.
- 73171: Fleet Electrical Upgrades
- Phase 2: Consultant is reviewing documentation and reports provided by AMHS. Once this is complete, a plan will be created to develop maintenance procedures and proceed with ship checks in pursuit of short-term and long-term system upgrades.

Vessel Projects under Active Construction Phase

- 73165: Aurora
- The project is currently under way with Vigor Marine in Portland, OR. Project is on schedule with ~100 days left.

Vessel Project under Construction Close out or Warranty

73015: LeConte Refurbishment

- Warranty Period Underway: Vigor Marine arranged for ASD to correct several warranty deficiencies during the ship's availability in September

73039: M/V Matanuska SOLAS upgrades & Renovation / Overhaul

- Warranty Period Complete – Project Closeout is in progress

73046 – Chenega Hull Survey Improvements

- Warranty Period Complete – Project Closeout is in progress

73052: Fairweather Hull Survey Improvements

- Warranty Period Complete – Project Closeout is in progress

73062 - Tustumena Refurbishment

- Project close out is complete

73082: Lituya Post Delivery Refurbishment

- Project is in close out status with final documents being generated

73091: Kennicott SOLAS Upgrades – Close out

73115: Fleetwide Marine Sanitation Device Upgrade – Final Taku under Warranty

73226: M/V Taku SOLAS Upgrades and Renovation

- Construction completed. Vessel is in Warranty Period.

Warranty issues with MSD System Ventilation and Power Management Interface with VDR will have to be corrected during vessel annual overhaul in April.

Terminal Projects under Construction Phase

Active

69433: Pelican Ferry Terminal Renovation

- Design completed and project is out for bid advertisement.
- Construction contract should be in place by Jan, 2012.
- Field construction likely summer/fall of 2012.

69617: Cordova Ferry Terminal Float Repair

- Field construction is currently ongoing. All work should be completed by end of December including storm damage repair.

72196: Annette Bay Ferry Terminal

- Under construction contract
- Upland excavation work ongoing. Marine facilities expected to be under construction spring, 2012.
- Completion anticipated in late summer or fall of 2012.

Recently or Nearly Completed

68502: Angoon Ferry Terminal

- Construction essentially completed as of early November and new terminal is being used (including use under newly signed use agreement for AML barge HAZMAT deliveries).
- Some punch list items of work remain.

69311: Hoonah Ferry Terminal (Marine Facilities)

- Construction Completed 8/11. Some remaining punch list items of work on upland project 67813 still remaining including the provision of a new pursers shelter to be located on right side of transfer bridge.

69444: Tenakee Springs Ferry Terminal Improvements

- Denali Commission
- Construction completed 7/11 and project is being closed out.

Terminal Projects under Design Phase

68433: Haines Terminal Improvements

- Preliminary Design, Environmental Analysis / Permitting ongoing
- Obligate for construction spring 2012.
- Anticipate field construction started summer/fall of 2012. Completion by fall of 2013.

68531: Prince Rupert Ferry Terminal Refurbishment

- Long term lease negotiations ongoing.
- Preliminary design (thru consultant to be selected) early 2012.
- Construction obligation expected by early 2013.

68938: Kodiak Ferry Terminal

- City of Kodiak owned facility. Project will at Pier 1
- Project funding limited to the earmark amount of \$7.3M.
- Project site was resurveyed in October, 2011. Preliminary design scheduled to begin soon.
- Anticipated construction obligation by June 2013

69422/69432: Petersburg and Wrangell Ferry Terminal Improvements (Dolphin Refurbishment)

- Environmental scoping and permitting ongoing and nearly completed.
- Final design ongoing.
- Anticipate advertising for construction Jan or February, 2011.

69440: Angoon Ferry Terminal Passenger Facility

- Denali Commission – Design funding only
- Preliminary design and environmental document work completed.
- Architectural consultant to be selected December, 2011.
- Final design to be completed by May, 2012.

69446: Kake Ferry Terminal Passenger Facility

- Denali Commission – Design funding only
- Preliminary design and environmental document work completed.
- Architectural consultant to be selected December, 2011.
- Final design to be completed by May, 2012.

69624: Skagway Ferry Terminal Modifications

- Project not started but should begin soon.
- Need to issue RFP and select engineering consultant.
- Project expected to replace or refurbish existing concrete bridge float which has deteriorated surfacing.

AURORA

- Entered its 2011-12 winter Capital Improvement Project on Sept 15 at Vigor Shipyard in Portland & will return to service in Prince William Sound on April 1, 2012.

FAIRWEATHER

- Engine cylinders recently inspected & current classification certificate extension is to Oct. 18, 2012.
- Currently operating in Prince William Sound during winter 2011-12 as backfill for Chenega.

CHENEGA

- Currently in lay-up status in Juneau awaiting cylinder inspections which will determine if additional cylinder boring is needed during winter 2012.
- Current vessel classification extension until Jul 20, 2012, with upcoming cylinder boring to potentially take place if needed so as to increase that extension date.

PROJECTS:

FLEET ELECTRICAL GENERATION UPGRADE

- Engineering consultant is currently reviewing previous electrical documents & reports in order to determine the electrical upgrades needed.

VESSEL TRACKING

- Vessel Tracking currently LIVE on the AMHS website
- MAL, MAT, LIT, KEN, COL, TAK, TUS, LEC & AUR on-line
- Going forward, will integrate Marketing Info
- FVF's – Looking into a temporary method to track FVF's until satellite communications are installed.

SATELLITE COMMUNICATIONS

- Currently 9 vessels commissioned
- Plan to install on Chenega in state overhaul winter 2012
- Plan to install on Fairweather during winter 2013 state overhaul

511 SYSTEM

- Was recently rolled-out and, after a few minor corrections, is currently operating as designed. This voice-recognition system provides 24/7 information regarding vessel schedules. The result of this successful implementation is that when the public is contacting AMHS for vessel scheduling, that process has been streamlined & is more user-friendly. Another feature soon to be added to the system is called 'Flood Gate Messaging' where a certain area's hot topics (i.e. Whittier Tunnel closure) are inserted

CHIGNIK

- Currently this dock is in a state of disrepair & owned by Trident Seafood. At this point in time AMHS does not have a dock-use agreement & would need one to continue operations there in summer 2012.

CORDOVA

- On November 16 high winds & seas at CDV dock damaged the floating structure & the stern loading ramp which partially separated from the platform also damaging dock electrical services. The separation & loss of electrical service have rendered the stern ramp unusable until repairs are made. Concurrent to the storm damage, a contractor was in the process of strengthening the facility as recent engineering reports recommended that the float system be reinforced. In addition to the on-going structure reinforcement project, additional repairs will be necessary due to the storm damage. Currently the FAIRWEATHER is operating off the side berth float & will return to operating from the stern berth once it is repaired & the electrical system is restored.

STCW

- New STCW regulations (Standards of Training Certification and Watchstanding) possibly taking effect on Jan 1, 2012. These new regulations may increase our training requirements, impact licensing requirements and require more stringent crew work-rest rules.
- Written comments have been submitted by Captains Neussl and Falvey regarding proposed rule changes.
- Personnel from the Port Captains office have attended various USCG-sponsored meetings & seminars regarding the proposed rule changes. USCG has indicated that they do not intend to adjust these possible new rules for the AMHS although they have indicated that they do not intend for these rule changes to harm the industry & are sensitive to the needs of the State of Alaska/AMHS.

KETCHIKAN FACILITY IMPROVEMENTS

- Construction renovation project for the Ward Cove Engineering / Warehouse facility contract has recently been awarded to McGraw Construction of Sitka. Estimated date of completion for this project is summer 2012.

FUTURE DEVELOPMENT PLANS FOR WARD COVE

- Currently AMHS management is preparing to commence a feasibility study which will look into the possibility of an AMHS lay-up/working berth facility along with additional dockage which could be used by NOAA for the home-porting of selected NOAA research vessels.
- AMHS management has also had dialog with AIDEA so as to explore the possibility of that agency's assistance with this project.

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in the front end of the 511 system to minimize time spent in the system.

RESERVATIONS SYSTEM

- RFP is currently drafted & now waiting for 2011-12 STIP to be set in place. Once that occurs, the RFP can be put out so as to secure a contract.

POINT-OF-SALE SYSTEM

- This contract has been awarded to the Forum Systems Group. The POS System will offer the Radiant System software & National Cash Register hardware & will streamline and computerize all vessel points-of-sale including gift shops, dining room management, ordering, customer sales, inventory, pricing, receipts, menu costing along with nutritional analysis reporting.

K-9 SECURITY

- Continue to work with Homeland Security (TSA) in drafting an agreement which would allow for the use of their canine bomb-detection teams in our Terminals' staging areas and aboard the vessel to assist with security, if needed.

LSA RAFTS

- Federal Funds
- Eight ships now installed
- MAL – working toward Winter 2012 install
- COLUMBIA – working toward Winter 2012 install
- TUSTY – install Winter 2013

AKUTAN

- Has received USDOT FBD funding to repair the dock used by the TUSTY. AMHS Operations will conduct dialog with designers to assure the design when drafted will fit the TUSTY.

OUZINKIE

- Working with Ouzinkie to be sure the dock under construction matches up with the TUSTY. Anticipate completion of the next phase (i.e. fenders, bollards & basic electricity) by the end of Feb 2012. The city is still seeking funding for lighting.

PORT LIONS

- New dock is funded and currently under design with construction as early as June, 2012. City would like the new dock to be capable of mooring the KEN (although this would not be possible without additional mooring dolphins added). AMHS is working with the designer.