Marine Transportation Advisory Board

James and Elsie Nolan Center, Wrangell, Alaska

Tuesday - June 26, 2012

MINUTES

1. CALL TO ORDER

Chairman Robert Venables called the meeting in Wrangell to order at 9:00 am

2. BOARD ROLL CALL TO ESTABLISH QUORUM

MTAB members present in room and participating: Tim Joyce, Joshua Howes, Dan Kelly, Gerry Hope, Maxine Thompson, Mike Korsmo, Cathie Roemmich, Captain Ron Bressette, and Chair Robert Venables. *MTAB Members excused*: Vice Chair Mark Eliason and Shirley Marquardt. A quorum was established.

3. PHONE ROLL CALL

Participants via teleconference: Trevor Brown and Lindsey Howell (Kodiak Chamber of Commerce); Christa Hagan (AMHS, Ketchikan); and others undeclared. DOT&PF Commissioner Marc Luiken was welcomed at 10:00. Mayor Stephanie Scott of Haines was welcomed as was Doug Ward of ASD during the course of the meeting.

4. INTRODUCTION OF THOSE PRESENT: Deputy Commissioner Mike Neussl, Captain John Falvey (General Manager, AMHS), secretary to Deputy Commissioner Neussl, Lisa Shrestha (DOT&PF); Don McConachie (former mayor and resident of Wrangell); Representative Peggy Wilson; Becky Rooney, Rep. Peggy Wilson's legislative staff member; Carol Rushmore, City & Borough of Wrangell; and Shelly Wright, SE Conference.

5. APPROVAL OF AGENDA

MOTION: Mike Korsmo moved to accept the agenda as submitted. Gerry Hope seconded the motion. The motion passed unanimously.

6. APPROVAL OF MINUTES

MOTION: Tim Joyce moved to accept the Minutes of 3.12.12 as submitted. Josh Howes seconded. The motion passed unanimously.

7. PUBLIC COMMENTS

Chair Robert Venables opened the meeting to public comments.

Former Wrangell Mayor and current citizen, Don McConachie, thanked Chair Robert Venables for a successful period of public comment on AMHS scheduling. Mr. McConachie felt that the largest

concern in scheduling is the Wrangell Narrows. He suggested developing a "two circle" approach to scheduling. He believed that the former IFA (now North End Ferry Service) could work well in the mix, albeit logistically, perhaps a challenge. He also wanted to mention that ships are spending only about 45 minutes in Wrangell, which he felt prohibits ferry travelers to comfortably leave the ship. For the economy of Wrangell, it would be profitable and comfortable to allow a margin of at least one hour, preferably 1.5 hours in port during the Wrangell stop. He also wanted it noted that on a trip with the FVF a few years ago when there was a potentially troubled situation, the crew on the ferry performed well in protecting and informing the passengers. He hoped that his comments about the crew's laudable service could be passed along.

Deputy Commissioner Neussl responded that the DOT&PF is communicating and currently in dialogue with the North End Ferry System for potential link-ups. Chairman Venables addressed the observation made about the exemplary ferry crews and said that MTAB was instrumental in working with the legislature to give out formal commendations to particular ferry crews this past session, and that MTAB appreciates receiving any and all comments about crew service.

Lindsey Howell, representing the Kodiak Chamber of Commerce, addressed the board next, via teleconference. She wanted to thank MTAB and the DOT&PF for the assistance in making the Crab Festival a success this spring. The upcoming dates for the Crab Festival for 2013 are May 23 through May 27 (Memorial Day Weekend). To ensure participation by Golden Wheel in planned celebrations, the Kodiak Chamber of Commerce is asking that the M/V Kennecott schedule be such that it arrives in Kodiak from Homer no later than noon on Wednesday, May 22nd and leave Kodiak heading to Homer on or around the morning of Tuesday, May 28th. They also respectfully request that the Tustamena make regular trips to Kodiak before, during and after the festival to accommodate off-island vendors and visitors to Crab Fest. Ms. Howell indicated she would follow up with MTAB with a formal request following the board meeting. She concluded by saying that it is imperative to secure participation by Golden Wheel as many non-profit organizations and local businesses in the Kodiak area depend upon revenue generated by this celebration, and she hoped that the DOT&PF and AMHS would take this schedule under advisement when considering the 2013 Summer Ferry Schedule.

Chair Venables thanked her for bringing specific needs to MTAB's attention. He invited her to send the schedule requirements as soon as possible to Deputy Commissioner Neussl, and said that the board appreciated the advance notice for purposes of planning ahead.

8. REPORT FROM THE CHAIR

A. Sitka-Angoon Celebration

Chair Venables gave thanks for the warm welcome in Wrangell at the informal reception sponsored by the City and Borough of Wrangell at the Stikine Inn to give residents an opportunity to meet the MTAB and senior officials of DOT&PF. Deputy Commissioner Neussl said that having a similar public event in advance of the next MTAB meeting might enable officials an opportunity to meet more residents who work during the day and are unable to attend the board meetings. Chair Venables said he would consider it in preparation for the next meeting.

Chair Venables spoke of the exceptional Inaugural run of the Fairweather, with its return to service to Sitka and Angoon on May 3rd. Maxine Thompson represented MTAB and Gerry Hope provided logistical support and planning for the Sitka ceremony. Jeremy Woodrow, DOT&PF public information officer, and Deputy Commissioner Neussl were in attendance. Chair Venables and Maxine Thompson spoke about the event in some detail. There were some significant historical events during the day, including commemorating ancestral tributes that were made to honor past happenings along the route. Maxine Thompson thanked Deputy Commissioner Neussl for speaking in Tlingit during the ceremony. Thanks were additionally given to Maxine Thompson and Gerry Hope on MTAB, the Silver Bow Bakery in Juneau, community groups in Sitka, and Jeremy Woodrow in DOT&PF who worked with Gerry Hope in making the festivities run smoothly.

There was a discussion about ridership with the new route, and these numbers will be available soon for Deputy Commissioner Neussl to report back to MTAB. Deputy Commissioner Neussl noted the need for a smoother process on the vessel during the boarding process.

B. Legislative Report:

Chair Venables gave a brief legislative report, calling attention to the successful session and the legislative priorities sheet that MTAB was able to utilize to bring responsiveness to the concise list of priorities. Thanks to the Governor and Legislature, each of MTAB's legislative priorities was met.

9. AMHS STAFF REPORTS

A. Port Efficiency Policy

Deputy Commissioner Neussl said this policy was formally introduced June 1st but has never been implemented, as no situation has arisen to warrant usage. Chenega Bay had a concern with the policy and had written to DOT&PF with concerns. The Department felt they had addressed their concerns through the public meetings. The savings affected by bypassing Chenega Bay as a port of call is not a fuel savings, as the vessel sails past Chenega Bay on its route. With regard to the Aurora route, it is a different situation as there would be a significant fuel savings as well as time if there were no reservations, so the new policy does have merit. It would be favorable to never have to utilize the policy as long as ridership/reservation numbers warrant it and remain stable or increase. Chair Venables reasserted that the policy is a general port policy with fuel and time savings being the catalyst. There was some concern raised regarding passengers who do not utilize the reservations system, including those who do not use computers, and some residents being told they do not need to make reservations.

Deputy Commissioner Neussl said that it is critical that reservations be made for a successful system to run smoothly. Cathie Roemmich suggested that a gentle and well-publicized effort to get that word out would be a noble idea with this new policy, so that no one is left "on the beach". The board discussed ways to make reservations more accessible, as some Alaska residents may not use computers, Facebook, and cell phone applications. Deputy Commissioner Neussl recognized that fact yet pointed out that the terminals are open early and late and there are phone options during the day. Additionally, there has been some talk of having kiosks, similar to Alaska Airlines.

Chair Venables recognized Representative Peggy Wilson and her legislative staff associate, Becky Rooney. Representative Wilson addressed the board, saying that she was pleased to attend the

MTAB Meeting in Wrangell, and that she was impressed the board met in communities served throughout Alaska so routinely. She encouraged MTAB to "keep up the good work." Chair Venables recognized Representative Wilson's work on carrying the legislation through initially that established MTAB in Statute as an advisory board. Mike Korsmo added his own appreciation to her for assistance with MTAB-related legislation this past session.

Chair Venables was pleased to acknowledge Haines Mayor Stephanie Scott, via teleconference, who wished to share some thoughts with the Board. She had two main issues to address. Her first concern was that the day-boat schedule is not currently as regular as it had been last year. Some passengers would like to be able to have the Thursday to Sunday schedule restored, essentially the same as last year's schedule that works so well for the Haines community. She said that it was a pleasure to work with Deputy Commissioner Neussl, and was impressed with his quick response and open line of communication. She is aware that with new changes, there are always concerns and scheduling challenges. She also realizes that a place to tie up the Columbia if the other two ferries are already moored is a significant challenge. She is hopeful that this piece (finding a berthing spot) can be worked through by next year. She is curious how the schedule this year has affected the ridership numbers – specifically, has there been a large difference, and if so, are we losing ridership to the new schedule?

Deputy Commissioner Neussl said that he would take a look at the numbers, and that certainly with changes, ridership must be checked. For the Kluane Bike Race and for the Alaska State Fair, AMHS has added on sailings. Chair Venables confirmed that AMHS and Kerri Traudt in particular have been working closely for special events. Mayor Scott said that last year's schedule, again, was just perfect for event attendance. Chair Venables further commented that as staff is working on this, Haines should hear some various scenarios for schedules prior to the scheduling teleconference. A teleconference is set for August. Mike Korsmo thanked Mayor Scott for calling, and he admitted that he had some concerns about the Skagway community last winter but went along with the changes because in talking with community folks he felt the changes would work. He was apologetic for not considering the affect the change might have, and that he will work diligently to fix the situation. The Skagway community has said that it is appreciative for what's been done so far.

Mayor Scott said she would follow up by sending a formal letter outlining the community issues to Deputy Commissioner Neussl as well as to the MTAB and the Municipality of Skagway Marine Highway Ad Hoc Committee.

B. AMHS 50th Anniversary Celebrations

Deputy Commissioner Neussl discussed the 50th Anniversary Celebration plans for AMHS. The plans include both a celebration and specific marketing for the AMHS, and a timeline was presented to the Board. He went over the specific dates for planning and producing the program, with a launch date of full implementation of January 2012-December 2013. Captain Falvey added that AMHS staff is working closely with a contracted company called Bradley Reid. A new add-on" logo is being designed, as well as a Byron Birdsall watercolor commemorative print.

Tim Joyce asked if AMHS could share with the Board some of the specifics of the plans, and Captain Falvey said he would share the work underway. Captain Falvey confirmed offering specific

anniversary items for sale in the gift shops on vessels, when Cathie Roemmich suggested such as a generator of additional income. Gerry Hope spoke in remembrance of the 1963 inaugural event and how he recalled that the smaller boats in Sitka, Wrangell and Petersburg "buzzed" around the first big mainliner when it first arrived in port. He suggested that perhaps with some USCG involvement, there could be a similar event arranged for the anniversary. Captain Falvey assured him that these types of "re-enactment" reunions were definitely on the radar screen for marketing. Mike Korsmo mentioned a group in Skagway that would be interested in assisting. He noted the timeline of August 2012 as fast approaching, and that perhaps some of the local historical groups could be contacted and brought in with additional ideas for local promotion. Chair Venables said that SE Conference is in touch with the 50th Anniversary group at DOT&PF and that any interested parties could get apprised or offer ideas and information through SE Conference.

Chair Venables welcomed Commissioner Marc Luiken via teleconference at approximately 10:00 am, and temporarily suspended the agenda in order to hear from the Commissioner. Commissioner Luiken said he was pleased to hear about the 50th Anniversary plans.

Commissioner Luiken spoke about next fiscal year's budget and beyond. One challenge is that vessel overhauls are not fully funded, and require USCG certification. Commissioner Luiken is meeting in mid-July with Randy Ruaro in OMB and once they are on board, plans will move forward to get the summer schedule for 2013 out. The budget is currently based on $104/barrel of oil. With the price of oil increasing, this will necessitate tapping into the savings. Efficiency recommendations to maintain levels of service have been implemented but the department continues to seek ways in which to make things more efficient. He noted the new ports of call at Ouzinkie and Old Harbor. Commissioner Luiken felt it was great to expand where AMHS can, and to keep steady with what is in place and already working.

Chair Venables agreed that MTAB supports all efficiency recommendations, and will take up that challenge anew with the new fiscal year. Chair Venables noted that the executive director of SE Conference, Shelly Wright, was in attendance at the meeting, and he said he was looking forward to her participation at the next meeting. He further reiterated that SE Conference could be considered a "clearinghouse" for any and all additional ideas or groups in the community that want to be involved with the 50th Anniversary of AMHS. Danielle Adkins with AMHS is the main contact person. Ms. Wright agreed that SE Conference is anxious to become involved with the planning of the anniversary.

C. Fleet and Terminal Reports

Captain Falvey went over the attached reports, highlighting some of the important pieces he wanted to bring to the MTAB's attention. He mentioned the Columbia needing new engines. They are slated to be installed during winter 2013-14 and both the engineers are aware and on top of the current regulations. He suggested that rather than go point by point, he would be open to any questions the board had regarding his reports. Gerry Hope said he assumed that the new engines are more fuel efficient, and Captain Falvey assured him they were. Deputy Commissioner Neussl added that during recent Bellingham runs which include routine port stops, maintenance repairs were carried out with no additional delays to the schedule, which was an efficient way to ensure those maintenance reviews. Captain Falvey said it was a resourceful way in which to get the work done with no

interruptions in service. Josh Howes asked about a general price tag on the engine repair, and Captain Falvey provided him with the ballpark figure of between $20-25 million.

Captain Falvey continued his report, briefing MTAB on the unfortunate situation when the M/V Matanuska had an incident at the Ocean Beauty dock as she approached Petersburg this past month. Risk Management is working on the allision incident as an ongoing investigation. Both Deputy Commissioner Neussl and Captain Falvey are working on writing the full report. The USCG is conducting a parallel review, and most likely a mutual conclusion on why the incident happened will be forthcoming.

Captain Falvey noted that the Malaspina recently had new shaft struts installed, and the Matanuska is being monitored currently and may need the same in the future. As MTAB is aware, the Malaspina will be going into federal CIP overhaul. With regard to the fire damage this past year, it was estimated that close to but under one million dollars in damage was incurred. Shaft struts being installed will lead to better alignment for the vessel. The Tustamena is in need of steel work in particular, and will be included in the federal project this coming winter. With regard to the Aurora, the vessel has just come out of overhaul. The Fairweather and the Chenega are up and running, with dates given for certification extension.

Captain Falvey spoke of the new POS (point of sales) system, to ensure a 24/7 operating structure to create more efficiency in the service. AMHS now has a more secure and well-functioning credit card system. Training was done for key ship crews, and the trainee trained the next down the line. It has been working well, and staff seems pleased with the system.

MTAB took a brief morning break at 10:35 am and reconvened at 10:51 am.

Captain Falvey continued briefing the board on the new reservations system. He added that AMHS is also working with TSA in conjunction with the Attorney General on an MOA for a bomb dog team in terminals. There are some limitations and the attorneys are working within parameters to ensure that security is maintained but privacy invasion is not overlooked. Captain Falvey said that the dogs are bomb alert dogs for that purpose alone. Captain Neussl said that there are constitutional concerns about using/needing drug sniffing dogs. Deputy Commissioner Neussl further said that bomb dogs are not interchangeable with drug-sniffing dogs, and drugs are not the reason the dog teams are being used in the first place. If a ferry traveler is arrested for drugs coming off a state ferry, there is undoubtedly a long historical and investigative link that was involved, and the apprehension of the person just happened to come as they stepped off their choice of travel (AMHS). Drugs are not and cannot be a causative reason for using any stop-gap on the ferries. After meeting with public safety officials, he is assured that AMHS is doing what it can legally to prevent the spread of illegal drugs, but the parameters are tight, and the MOA with TSA is specifically in regard to detecting bombs aboard vessels.

Captain Falvey added that with the Columbia and Tustamena having their overhauls, all marine vessels in the fleet will have state-of-the-art, dependable escape systems. There was a discussion about drills and how often they should be done. Firing off of the safety systems is not recommended continually and not needed. Cathie Roemmich was concerned about the safety implementation, and was reassured that all precautions and trials are undertaken according to plan.

When asked, Captain Falvey spoke about the current broadband satellite service. There is a suggestion to run wireless, and board members discussed the various advantages to wireless communication.

Captain Falvey reported that Ward Cove is in active construction. Deputy Commissioner Neussl said that a long-term agreement is needed with the Port of Prince Rupert, and indemnification issues with the Canadian National Railroad are involved. Mike Korsmo brought up the Kodiak dock and current condition, asking for a short status Report. Neussl reported that the current wood pile dock will be rebuilt as a concrete and steel structure and the plans do not call for any relocation or removal of the current Kodiak Chamber of Commerce building on the dock. Gerry Hope expressed interest in seeing the terminal facility in Kodiak as soon as a design is available. Deputy Commissioner Neussl said he would ask Christa Hagen to share the design specifications.

D. Miscellaneous

Deputy Commissioner Neussl said that the AMHS Summer Schedule 2012 is being executed as indicated and planned. Ward Cove work is underway. Captain Falvey gave a thorough detail on work regarding movement of staff and equipment, including drywall and paint in new facilities. He has personally visited the work and all appears on track. Mike Korsmo said that the building and details all look good and it is easy to support the expansion, and the move is much needed and anticipated.

The Board was updated on the current status of the FVF Lawsuit. It is a complex case, made more so because one of the defendants, Derecktor, Inc., being in Chapter 11 Bankruptcy Court. The case was moved to Anchorage, remanded back to Juneau, and there was an additional hearing recently in New York State, and again it was remanded back to Juneau, where it remains in Judge Pallenberg's Superior Court. The trial date is set for April, 2013.

The winter 2012-2013 AMHS Schedule has been released, earlier than usual, but as requested. There was a detailed discussion with regard to printing costs of the schedule and the consideration to cease putting out a printed schedule. Chair Venables believed there was no clear objection at this point. The printed schedule has received criticism for being difficult to decipher. But it was pointed out that if it is confusing to read on the website as well, the problem has not been solved. It was suggested that some schedules should be printed for certain groups but that the majority should be encouraged to go on-line. Deputy Commissioner Neussl said that it was worthwhile to discuss and get feedback on this issue, but the board was not tasked with making a decision at this point. He pointed out that the current administrative code indicates that AMHS put out a paper schedule, as the code also sets forth information on tariffs, minors in travel status, and more. While the code is outdated, it is still in effect until/unless changed. Deputy Commissioner Neussl further said that the Ketchikan headquarters for AMHS is looking at the code for necessary changes and will continue to weed out outdated information. Josh Howes said he would be in favor of doing away with the paper schedule. Others on the board indicated that they had seen travelers holding ferry schedules.

Chairman Venables recognized Carol Rushmore, who wished to make a statement about the subject. She said there were advantages to both having it in paper form and not having it in paper form. All levels must be thought through carefully. If paper schedules are done away with, she believed that

there must be a clear way to make a reservation, with the search function able to give a person all the options available for checking all routes, both to and from and continuing on as a tourist not wishing to return to a port if one-day travel is desired. Gerry Hope recognizes that all people have different styles of information gathering and processing, and believes a subtle transition approach might be good. Some people are visual and prefer the paper schedules, but the "lion's share" of business for residents in particular is through the internet, and while there is limited capacity for computer access for some, he felt some gentle transitory approaches be made if the paper schedule is eliminated.

Tim Joyce also felt that it was a worthwhile pursuit to consider going to a more computer-accessible approach to reservations. He felt that pdf's read better than the spider graphs. He suggested using something similar to Travelocity, giving options for multi-city visits. It could be complicated at first, but do-able. Cathie Roemmich agreed, and said it might be considered to give travelers possible scenarios as options to choose.

There was a brief discussion regarding the Sitka terminal with comments by Gerry Hope. There is a discussion underway on options for terminal bus pull-out area. There was some opposition to initial discussions by planners for the location of the pull-out area. Gerry Hope reiterated the importance of having a good bus pull-out area for that terminal. It has been a security issue that the terminal manager in Sitka is cognizant of, and currently DOT&PF officials believe the details have been worked out.

The Board discussed the public comment period for the summer 2013 Schedule, and Deputy Commissioner Neussl gave the time-frame for public comments. A preliminary review will be forthcoming in July.

Deputy Commissioner Neussl spoke of his meeting with the joint UAF Maritime, Fisheries meeting, that was arranged to bolster workforce training and development. More can be done to encourage local hire in hard-to-access communities. Mike Korsmo suggested some regional efforts through SE Conference.

There was a discussion on the use/non-use of TWIC cards. Captain Falvey mentioned that federal law requires this document. Representative Wilson suggested that in smaller towns, residents must go to Juneau in order to utilize the TWIC cards. Captain Neussl agreed that it currently requires two trips, one in order to request activation and one trip to pick up the card. Tim Joyce suggested that this be a future agenda item so some resolution on the matter can be found.

The Board took a break for lunch at approximately 11:51 am, and reconvened at 1:00 pm, with teleconference back on line.

11. ALASKA CLASS VESSEL UPDATE (AMHS, AK SHIP & DRYDOCK)

A. Progress since last meeting

Deputy Commissioner Neussl gave an update on the status of the Alaska Class Ferry. There were *two* appropriations for $60 million for the ferry. As DOT&PF approaches the actual building of the ferry, the board will be given status. An additional $50 million dollars was appropriated as an

addition to the vessel replacement fund for future vessels, and is not tied to the current Alaska Class Vessel being built, but for future vessels that may be built. Deputy Commissioner Neussl felt it was a wise move to keep the additional funds in a savings account for the next vessel. ASD signed on with the CMCG process, and currently the functional design is in process. All indications are that the vessel being designed to be built will meet the needs of the Lynn Canal route.

B. Status of Vessel Design (handout)

Deputy Commissioner Neussl went over the design specifications with the board members in some detail. The new vessel has two elevators to service all decks and the elevators have been designed to handle a patient in a gurney without having to move the gurney in a horizontal manner. Doug Ward with ASD, on the teleconference line, spoke to the design specifications. Noteworthy is that it has been designed to meet the Alaska vehicle standard, which is larger than an average vehicle. The vessel can take 60 of the larger Ford Expedition-sized vehicles, or twice that many of the smaller, average cars. Mike Korsmo agreed that MTAB had been involved with the design process, for the benefit of the new members of the board. The design has been vetted appropriately and is now done. Gerry Hope commented that he was pleased that the design team came to the Central Council for input. Specifically, the board was satisfied that the elevator can fit the medical gurney, as this is a considerable advantage for community members needing this health provision.

Deputy Commissioner Neussl said that it would be accurate to say that the design was seriously and thoroughly discussed all through the initial design process. This vessel is not intended for the Bellingham run and will serve communities in Alaska. There have been rooms reserved that can be assigned as needed in any medical or otherwise emergency manner.

Doug Ward spoke via teleconference. He discussed some of the more technical aspects of the vessel with regard to generator equipment and propulsion package drive train, and other electronic aspects of the working parts of the vessel. Chair Venables requested that it would be favorable to have a fiscal status on the project by the next MTAB meeting. Venables also added that it would be advantageous to have a timeline of the process for the design in order to deflect any criticism or questioning that may arise.

When asked about the necessity of having two elevators, Captain Falvey said that in the demanding marine environment, having one running elevator can be challenging, so the addition of the second elevator would ensure the continual running of at least one elevator. Captain Neussl was asked and answered that there could indeed be a cost savings if the vessel were built for two elevators but only one was installed, with the caveat that another could be added as the shaft is already present for set-up.

Doug Ward asked and was encouraged to give a briefing on the shipyard expansion ongoing. The new shipyard will be one of the most efficient at 250 feet long and 120 feet high. The cost of the expansion is approximately $38 million. An Open House will be given in August.

12. MTAB PRIORITIES

Chair Venables said that in the past, MTAB has formulated its priorities in October. He added that at the next meeting more "price tag" information could be available for the board on the various projects, including vessel design, timelines and replacement funds. He reiterated that $50 million has been appropriated for the next vessel and is, as Deputy Commissioner Neussl indicated, in a "savings account" for this purpose.

Deputy Commissioner Neussl said that it has been discussed by MTAB in the past that the Tustamena is currently the only vessel to service certain areas. There is, unfortunately, no backup for the Tustamena. This is a priority for him – to come to a decision and move forward on plans for whatever that may mean, whether it means a "Tusty 2" or another approach. Neussl said that on July 18th he will be meeting with the OMB and the Governor to make sure that the DOT&PF is in line with the process for future plans.

Currently there are no funds for a design of a new vessel similar to the Tustamena to service the area she does. Tim Joyce suggested could there be some design capabilities with the current design used to formulate a Tustamena-type vessel with elevator. Mike Korsmo said he realizes that the Tustamena needs replacement, and this is definitely a priority for him as a board member. Board members discussed approaching various commissions, philanthropic organizations such as Rasmussen and other groups including the Denali Commission and the Alaska State Legislature with regard to AMHS vessel needs. Cathie Roemmich added that the Rasmussen Foundation does not fund government organizations. She added that the Alaska Marine Highway is part of the Scenic Byway, and that could be a route to move through. Board members made suggestions, and Chair Venables agreed that state organizations do have constraints, but for the record he did discuss MTAB priorities with the Denali Commission through the letter he formulated and disseminated at the previous board meeting. He surmised by saying that as he currently saw it, the MTAB priorities were two-fold most urgently: to replace the Tustamena, and to build the currently-funded AK Class ferry. The Board's long-term priorities included another AK Class vessel and replacing a mainliner. He felt the Board should not wait too long to make requests. By December, the budget is revealed for the following year, and MTAB must craft what it wants to ask for.

The Board discussed how much of the current "pot" of money has gone into design, and will there be sufficient funds in the future to replace the Tustamena. Captain Neussl said that by sharing the design for the current boat, some costs will be saved. Once the Tustamena Replacement Vessel/Second Tustamena goes through the design process, MTAB and DOT&PF will have some good outcomes on design and can move forward on those additional specifications for the "Tustamena 2".

The board members discussed the differing vessels, with not all ships fitting at all docks, and perhaps it would be beneficial to have a special meeting to re-tool the vision for the future of MTAB priorities, and in that endeavor make a sensible plan for the next 50 years. Board members agreed that MTAB needs a strategic plan with more long-term considerations. Tim Joyce suggested a single-style vessel rather than so many differing ones. Captain Falvey added that the reason for the varying designs was somewhat driven by the nature of the different docks and what types of boats they can moor.

Captain Neussl informed MTAB that the Chignik Dock, privately owned by Trident Seafoods, now has a use agreement in place with DOT&PF, but the dock needs repair. The Board briefly discussed standards for dock viability and particularly with AMHS vessels moored at those docks.

13. BOARD COMMENTS

Chair Venables encouraged a round-the-room board comment session, and opened the floor. Dan Kelly and Tim Joyce both thanked Wrangell for the hospitality. Gerry Hope announced that October 3-6 is the Alaska Native Brotherhood Celebration. DOT&PF's Kerri Traudt would be kept informed of the festivities and may arrange for some background on the Alaska Class Vessel and perhaps an appearance by Captain Neussl.

Maxine Thompson thanked the City of Wrangell for hosting the MTAB informal the previous night and being the venue for the meeting, and said she was particularly pleased to see Representative Wilson at the function last night at the Stikine Lodge, and that the Representative was able to spend her day at the meeting. Maxine applauded Representative Wilson or being such a champion for the ferry system. She is looking forward to attending an MTAB strategic planning session in the near future. When Mike Korsmo asked about any necessary MTAB input for the OMB capital budget shortfall, Chair Venables agreed to stay in touch on that situation.

Captain Ron Bressette also thanked Wrangell for hosting the meeting. He specifically wanted to thank Captain Neussl's secretary, Lisa Shrestha, for her work with the board members as liaison, and the smooth running of the meetings and general work for the board. Cathie Roemmich also asked that Lisa Shrestha be recognized for her hard work as liaison to the MTAB with Deputy Commissioner Neussl's office. Josh Howes recognized the hospitality in Wrangell, and said that as a travel-tour owner, this was the furthest south in Alaska he's been, and it was a pleasure to see the area.

Deputy Commissioner Neussl made special note to participants in the room that the Civil Rights Office within DOT&PF for the State of Alaska, require for public meetings such as MTAB, a specific sign-in sheet on which participants may indicate their gender and ethnicity. As a public state agency, DOT&PF is mandated to utilize the sign-in sheet, but participants are, naturally, at will to release or not release that information. Captain Neussl wanted meeting attendees to understand that to be in compliance with current Civil Rights requirements we must present and collect the data, as given and collected.

Chair Venables concluded that he also much appreciated the presence of Representative Wilson in Wrangell, at both the reception the previous night and the full meeting today. He individually thanked each board member for their participation in the meeting and bringing their perspectives to the agenda.

14. NEXT MEETING

Chair Venables noted that the terms for board members Ron Bressette, Joshua Howes, Dan Kelly and Gerry Hope all expire on 9.12.12, and that he is hopeful that they will choose to continue their service on the board, and encouraged them to send in their letter of intent to the Governor's office, prior to that date.

A. Fall meeting to draft FY 14 priorities for Governor's budget

Chair Venables asked the board to consider an October meeting, and everyone agreed to that month. There was a discussion on the venue. Ketchikan was suggested, so that the Board could see the work being done in the shipyard expansion and Ward Cove. Cathie suggested Angoon for a future meeting venue. Sitka and Hoonah were also considered. Mike Korsmo thought Ketchikan was a good call for the fall meeting, and that Angoon might be best for a summer meeting. If Commissioner Luiken is planning to attend the meeting, it will be good to choose a venue early so that he can make his own schedule align with the MTAB. Chair Venables will find an appropriate venue and date and query the board with that soon.

Shelly Wright with the SE Conference announced the next Annual meeting of the SE Conference, in Craig, Alaska, September 25, 26 and 27th.

Representative Wilson said she wished she could attend all of the MTAB meetings, as she learns a great deal at the meeting, and it enables her to better answer constituent questions about the AMHS.

B. Winter meeting in Anchorage – December 18. 2012 (tentative)

The board discussed a tentative date for the winter meeting. Chair Venables said that when the Governor releases the budget on December 15th, the board generally meets either on that date (as they did last year, in Anchorage) or after. December 15, 2012 is a Saturday, so the board meeting will most likely be the following week of December 17+. No firm date was set for the December meeting, but most likely it will be December 18th to allow Monday December 17th for travel to Anchorage, the agreed-upon venue for the December meeting.

15. ADJOURN

MOTION: Mike Korsmo made a motion to adjourn the meeting; Dan Kelly seconded it. The Board passed the motion unanimously. MTAB stood adjourned at 2:25 p.m.

Respectfully submitted,
Lisa Shrestha

DRAFT

MEMORANDUM

State of Alaska
Dept. of Transportation & Public Facilities
Alaska Marine Highway System
7559 No. Tongass Highway
Ketchikan, AK 99901-9101

To: MTAB Members

Date: 15 June 2012

From: Captain John Falvey
General Manager

Subject: AMHS UPDATE for
MTAB Mtg of 26 June 2012

VESSEL UPDATE:

COLUMBIA

- Continue to make progress on new engine design, plan to obligate new engine project August 2012.
- Plan to install new engines during winter 2013-2014

MATANUSKA

- Vessel had an allision with the Ocean Beauty dock in Petersburg on May 7. The accident is being investigated internally by AMHS staff, and externally by the USCG. State Risk Management is working with Ocean Beauty insurance adjusters regarding damage repair process.
- Will continue to inspect the Matanuska's shaft struts during annual state overhauls as the struts now have cracks similar to the cracks recently repaired on Malaspina.

MALASPINA

- Vessel will go into a federal CIP overhaul on October 1, 2012 and return to service as the NLC dayboat on May 15, 2013.
- During the state overhaul, the vessel's MSD (Marine Sanitation Device) room experienced a fire. The damage from the fire has been repaired and the system is working properly. Continue to work with state Risk Management regarding the final cost of the repairs.
- During the state overhaul, new shaft struts were installed. The strut installation required major hull steel work along with precision alignment of the new shaft struts and propeller shafting.

06.26.12 MTAB Minutes
Attachment #1

TUSTUMENA

- Will go into a federal CIP overhaul on November 1, 2012 and return to service on April 20, 2013.

AURORA

- Conducted federal CIP overhaul at Vigor Shipyard in Portland, Oregon from September 15, 2011 to April 1, 2012. The project included such items as main engine and generator overhaul, interior upgrades to crew berthing areas, interior upgrades to cafeteria and mess areas, computer and communications network upgrades, miscellaneous hull and vehicle deck steel replacement, exterior and interior painting, steering control system upgrades, engine room upgrades and repairs, HVAC upgrades, security camera upgrades, bridge wing control station upgrades, miscellaneous interior and topside repairs. The approximate project cost was $7 million and the project had a growth of 3.57%.

FAIRWEATHER

- Current DNV engine inspection classification certificate extension to 10/18/12.

CHENEGA

- Current DNV engine inspection classification certificate extension to 1/14/2013.

FVF LAWSUIT

- The jury trial has slipped to April 2013 due to the bankruptcy of Derecktor Shipyard and because of the court proceedings and the process involved in getting the case remanded back to Juneau Superior Court.

PROJECTS:

POINT-OF-SALE SYSTEM

- The cash registers and associated hardware for the new Point-of-Sale (POS) system were installed on the vessels during their individual winter 2011-2012 state overhauls. This new system is now operating in real time via satellite except for on the two fast ferries.
- POS training for key crew members was conducted and those crew members in turn trained the remaining users of the new system.
- The Phase II component of the new system will be installed during the winter 2012-2013 state overhaul periods. This feature will enable critical real-time detailed reporting and management oversight along with greater control over inventories. A six-week menu rotation is being developed and will be incorporated into the new system which will standardize the menus used aboard the vessels and also reduce the potential for wasted food.

NEW RESERVATIONS SYSTEM

- The RFP for the new reservations system will close on June 27, 2012. It is expected that the contact will be awarded by the end of July with work starting in early August. The new system should be operational by the winter 2013 schedule.

K-9 SECURITY

- The MOA with TSA that AMHS was developing to allow the use of TSA bomb dog teams in our terminals has stalled due to concerns by the TSA legal department.

PORT EFFICIENCY POLICY

- New policy in effect 6/1/12.

NEW SERVICE

- New service to Ouzinkie commenced on April 27, 2012.
- New service to Old Harbor will commence on June 18, 2012.

LSA RAFTS

- All vessels, except the Columbia and the Tustumena, now have new state-of- the-art passenger/crew escape systems. The Columbia and Tustumena will have their new escape systems installed during the winter of 2012/2013.

SATELLITE EQUIPMENT

- All vessels, except for the two fast ferries, are now equipped with satellite communication systems. Both fast ferries will have satellite systems installed during the winter of 2012/2013.
- The satellite systems are being used for 24/7 vessel communications, the new point-of-sale system, and eventually for operating the new reservations and manifest system 24/7 to the vessels.

FUTURE DEVELOPMENT PLANS FOR WARD COVE

- Ward Cove Layup Facility - Ketchikan Gateway Borough received a $7.5M grant under the Grants to Municipalities statute administered by DCCED for the analysis, design, and construction (partial funding) of an AMHS layup working berth and NOAA layup facility. This will be the functional replacement of South Berth to allow Ketchikan Shipyard expansion.

Attachments:

Alaska Class Ferry Consolidated Functional Requirements May 2012
PowerPoint Presentation from Elliott Bay Design Group, "Functional Design Kickoff"
AMHS Project Updates

AMHS Project Update
(Not including Overhaul and Maintenance)
As of June 1, 2012

State Funded Projects

68704: AMHS Ward Cove Marine Engineering Facility
- In active construction phase with completion set for July.

73111: Ward Cove Feasibility Study
- Consultant has been selected and negotiating. Final report to be expected in March 2013.

Vessel Projects under Design Phase

73068: Tustumena Refurbishment
- Consultant working on final PS&E. Phase 4 PDA will be submitted in July.

73086: Malaspina Refurbishment
- Consultant working on final PS&E. Phase 4 PDA will be submitted in July.

73093: FVF Re-engine project
- Consultant working on final PS&E. Phase 4 PDA will be submitted in August.

73108: Fleetwide Lifesaving Equipment Upgrades
- Consultant working on Design.

73120: Columbia Repower & Ship System Improvement
- Negotiating Engine Selection and Detailed Estimate. Phase 4 PDA will be submitted in August.

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 capital improvements and refurbishments by collecting work requests and on-site data collection.

73171: Fleet Electrical Upgrades
- Consultant is proceeding with ship checks in pursuit of short-term and long-term system upgrades.

73073: Alaska Class Ferry
- ASD selected as CMGC – estimated project completion date is 5 years. Functional design has begun with consultant.

Vessel Projects under Construction

73200: Fleetwide Marine Evacuation Slide Installation

Vessel Projects under Warranty

73115: Fleetwide Marine Sanitation Device Upgrade – Final Taku
73117: Aurora Security Systems Upgrade
73165: Aurora Refurbishment – project completed in January
73226: M/V Taku SOLAS Upgrades and Renovation

(Terminal Projects on next page)

Terminal Projects under Construction Phase

69433: Pelican Ferry Terminal Renovation

- Field construction to commence fall of 2012.

69422: Petersburg Ferry Terminal Improvements

- Phase 4 PDA submitted

72196: Annette Bay Ferry Terminal

- Under construction contract
- Completion anticipated in fall of 2012.

Terminal Projects under Design Phase

68433: Haines Terminal Improvements

- Final design started.
- ROW appraisals completed and property acquisition offers have been submitted.
- Obligate for construction scheduled for August 2012.
- Anticipate field construction to start late 2012 or early 2013 – assuming ROW can be acquired. Completion likely summer of 2014.

68531: Prince Rupert Ferry Terminal Refurbishment

- Long term lease negotiations ongoing.
- Design consultant selected 5/30/12.
- Construction obligation expected by early 2013.

68938: Kodiak Ferry Terminal

- City of Kodiak owned facility. Project will be at Pier 1
- Project funding limited to the earmark amount of $7.3M.
- Design consultant selected and contract is being negotiated.
- Anticipated construction obligation in August, 2013.

69432: Wrangell Ferry Terminal Improvements

- Final design complete by July 2012.
- Anticipate advertising for construction by September, 2012.

69440: Angoon Ferry Terminal Passenger Facility

- Denali Commission – Design funding only
- Preliminary design and environmental document work completed.
- Architectural consultant has completed preliminary building design.
- Final design to be completed by September, 2012.

69446: Kake Ferry Terminal Passenger Facility

- Denali Commission – Design funding only
- Preliminary design and environmental document work completed.
- Architectural consultant has completed preliminary building design.
- Final design to be completed by September, 2012.

69624: Skagway Ferry Terminal Modifications

- Design consultant selected.
- First field inspection (Task 1) conducted April 27, 2012.
- Project expected to replace or refurbish existing concrete bridge float which has deteriorated surfacing. Final scope of work not established pending further inspection and design work