

Marine Transportation Advisory Board
Sitka, Alaska
Minutes
August 30, 2013

Call to Order

Marine Transportation Advisory Board (MTAB) Chair Robert Venables called the meeting to order at 9:04 am in Centennial Hall, Sitka, AK.

Roll Call to Establish Quorum

Marine Transportation Advisory Board Members Present: Chair Robert Venables, Cathie Roemmich, Shirley Marquardt, Gerald Hope, Daniel Kelly, Maxine Thompson, Ron Bressette (via teleconference), Tim Joyce (via teleconference). Vice Chair Mark Eliason and Mike Korsmo joined later via teleconference.

Phone Roll Call and Introduction of Those Present

Department of Transportation and Public Facilities/ Alaska Marine Highway System (DOT&PF/AMHS) staff members present: Deputy Commissioner Reuben Yost, Captain John Falvey, Richard Leary, and Doug Miller.

DOT&PF/AMHS staff members participating via teleconference: Jim Potdevin, Doug Ward, and Captain Tony Karvelas.

Members of the public present: Ed Rocko (KCAW), Phyllis Hackett (City and Borough of Sitka (CBS)), Jennifer Robinson (Sitka Chamber), Kathie Wasserman (Alaska Municipal League (AML)) , Jay Sweeny (Interim Administrator, CBS), Gary White (SEDA), Ken Cameron, Juneau Mayor Merrill Sanford, Sitka Mayor Mim McConnell, Marjorie Hennessy, Pfarmica McConnell (Sitka Chamber), Marlene Campbell (CBS), Representative Jonathan Kreiss-Tomkins.

Members of the public participating via teleconference: Representative Alan Austerman, Nichole Klauss (Kodiak Daily Mirror), Ernie Weiss (Aleutian East Borough), and Dave Warter (Port of Bellingham). Andy Varner (SWAMC) joined later.

Motion to Approve Agenda

Maxine Thompson moved to approve the agenda; Shirley Marquardt seconded the motion. The motion passed unanimously.

Motion to Approve Minutes

Gerry Hope moved to approve the minutes from the previous meeting held in Juneau, May 14, 2013; Cathie Roemmich seconded the motion. The motion passed unanimously.

Public Comment

Jay Sweeney presented Sitka Borough Resolution 13-13 to the board regarding core service levels and also spoke to how important the Fairweather has become to the community.

Gary White echoed the support for historic core service levels and explained how important transportation was to the Sitka economy. He also spoke in favor of a road connection across Baranof.

Phyllis Hackett, a 40-year resident and Assembly Member, urged AMHS to make any cuts in service equitable.

Marlene Campbell welcomed MTAB to Sitka and spoke to the extremely limited service being proposed for May-June 2014. One north and southbound ferry is insufficient.

Kathy Wasserman spoke on behalf of the organization's 162 mayors and shared their transportation committee's concerns about process and expenditures on previous Alaska Class Ferry (ACF) design. She offered AML as a conduit for information distribution.

Jennifer Robinson also spoke to the Sitka resolutions for historic service levels and said the Chamber is also discussing the possibility of a road to the East Baranof ferry terminal that could increase service.

Ken Cameron spoke on behalf of the 3,200 Shee' Atika shareholders and looked forward to a discussion regarding an all-weather road across Baranof. The Southeast Alaska Transportation Plan (SATP) has similar scenarios outlined.

Ernie Weiss shared concerns regarding the Tustumena and shared a related resolution and letter to the board. He urged a fast track replacement process.

Andy Varner spoke to correspondence sent to the board regarding the Tustumena and stated how the lack of service has impacted community health and safety. He urged prioritization of full funding for the Tustumena replacement.

Report from the Chair

Chair Venables thanked the City and Borough of Sitka and the Tribe for the hospitality and especially for the community reception held the previous evening (special thanks went to Marlene Campbell and Gerry Hope). One of the purposes of having the board travel by ferry was to showcase the isolation and challenges of both Angoon and Sitka. Regular and dependable ferry service is critical for both communities. It was good to hear from Sitka about their willingness to discuss a possible road link to the East-Baranof ferry terminal.

The Chair has fielded many calls regarding the Tustumena being out of service as well as the ACF project. He also is participating in AMHS 50th anniversary events as able and thanked other board members for their participation. Four board seats are expiring and the Chair encouraged each member to put forward a letter of interest to serve another term.

Tustumena Replacement Process & Update

Captain Falvey explained the history of the current Tustumena project having begun in November 2012. There had been about a 28% growth in the scope of work and other issues had come up that delayed the vessels return to service. It is now expected that the Tustumena will be in the water in September but not in service until "deadweight" and other issues are resolved and approved by the Coast Guard. The

Kennicott will make a special run out to Chain but there are 5 ports she cannot service. It does cost AMHS an additional \$900,000 per month for the Kennicott to run rather than the Tustumena.

The Tustumena replacement project is underway with a Request for Proposal (RFP) issued. It is projected that the vessel could be a bit longer (up to 320') and maybe slightly wider. It will be designed to fit all ports. AMHS currently has \$10 million for the design work. The work will be done to federal standards to allow for future use of federal funds. The state has to put up at least 9% of project funds. Design, bid and build is envisioned, but that process is not locked in at this time.

In response to questions, Capt. Falvey outlined the next maintenance schedule for the Tustumena: it needs minor maintenance and inspection during March 2014 that should take 1-2 weeks. Once back in service, the Tustumena should be able to provide reliable service for many years. AMHS is postponing the Kennicott bid opening for major repair work until after the Tustumena has returned to service.

Alaska Class Ferry – Design Study Report (DSR)

Deputy Commissioner Yost, Captain Falvey and Project Manager Doug Miller gave an overview of the DSR and public outreach (presentation attached). Today is the last day for public comments. Slight design changes include moving the bridge forward and totally covering the car deck space. Board discussion covered topics including the bow design, side door issues, historical wind speeds and sea state conditions, unaccompanied vehicle policy, food service and other amenities, quiet rooms and theatre use among others. Operational costs were also discussed with each ACF expected to have 9 crew onboard (each A/B crew) and 3 night crew (possibly 1 additional maintenance worker in Haines). That total of 44 crew members is far less than the 84 currently on the Malaspina's A/B crews. It is expected that one mainliner will be retired when the ACF vessels come on line.

Board recommendations for the ACF project included turning the theatre space into more of a multi-use room (while wiring other areas of the vessel for multi-media functions), lowering passenger density in seating areas, investigate adding passenger access to the area behind bridge and revisiting the unaccompanied vehicle policy.

AMHS Staff Report – see attachment for fleet and terminal reports. Captain Falvey also reported that the Prince Rupert service will be interrupted for dock repairs and that a letter is forthcoming regarding terminal upgrades in Skagway. A Memorandum of Agreement (MOA) is in the works for Kodiak – timing is critical in order to obligate funds. AMHS is now operating out of the Annette Bay terminal in Metlakatla. The reservation system replacement is underway at a cost of approx. \$8.1 million. The new system will allow travelers to buy and print tickets and utilize kiosks at terminals. An additional \$1 million is being budgeted to double the broadband capacity and potentially allow for limited public use. The Fairweather is scheduled to have all new engines by May 15 – work to be done in Seattle. An update was given at the AMHS 50th events being held. MTAB member Josh Howes reported on the Whittier and Valdez events.

FY15 Budget Recommendation

Correspondence was reviewed from Sitka, Petersburg, Southeast Conference and Southwest Alaska Municipal Conference (SWAMC) regarding service levels as well as the need to prioritize the replacement of the Tustumena. The board discussed how important it was to have a successful

transportation system that AMHS fits within. A discussion ensued on the rising fuel costs and the legislative intent to not increase the AMHS operational budgets.

The MTAB recommended the funding for replacing the Tustumena as its number one priority. The board further concurred that if funding levels were maintained at the Governor's FY14 proposed budget that the summer service levels from Prince Rupert could be increased and reverse the trend of service cuts that impacted southeast. Once additional operating funds could be appropriated, MTAB supports the communities' request for June – September service. The Chair will draft a letter to Governor Parnell highlighting these priorities and circulate to the board prior to distribution.

Board Comments

Mike Korsmo (from a cell phone on his tugboat in the middle of the open waters) – agrees that replacing the Tustumena is the major priority and recommends looking at the tariffs with possible fare increases to help maintain service levels.

Mark Eliason – AMHS needs to take a serious look at the market disparities in pricing (example of a \$900 ferry ticket for comparable \$2,300 barge fee).

Tim Joyce – appreciated the powerpoint presentation, getting the ACF built and Tustumena replaced as soon as possible needs a sense of urgency. Agrees that a fare review is in order.

Maxine Thompson – Glad for representative Austerman's participation and for how engaged Sitka was at this meeting. Would like to see more MTAB involvement with legislators.

Dan Kelly – thanked Sitka and enjoyed the ferry ride over to the meeting. Southwest Alaska transportation challenges and issues really hit home.

Shirley Marquardt – appreciates the team effort at AMHS (Capt. Falvey is best asset). MTAB will need to work hard to support the Marine Highway System – hard to make a silk purse out of a sow's ear!

Gerry Hope – acknowledged Captain Falvey's extra effort to help Kake during a recent tragedy and how AMHS remembers the special needs of the communities. The East side road is a big issue that needs exploring. AK Municipal League can be a part of the solution.

Robert Venables – thanked the community again for their hospitality as well as the board for their continued engagement. It is a dynamic board that works well together. MTAB plays a key role as a liaison for the communities. This is Ashley's last meeting and the board thanks her for her role as staff this past year. Special thanks to Gerry Hope and the Sitka Tribe for logistics as well as transportation service.

Next Meeting

Will be at the call of the Chair and will likely be in Anchorage in November. The intent will be to try and meet with as many legislators and staff as possible the day prior to the formal MTAB meeting.

Adjourn

Motion/Second by Dan Kelly/Shirley Marquardt – none opposed.