

Marine Transportation Advisory Board  
Hilton Garden Inn, Anchorage, Alaska  
Minutes  
November 13, 2013

**Call to Order**

Marine Transportation Advisory Board (MTAB) Chair Robert Venables called the meeting to order at 9:00 a.m.

**Roll Call to Establish Quorum**

*The Marine Transportation Advisory Board Members Present:* Chair Robert Venables, Joshua Howes, Cathie Roemmich, Shirley Marquardt, Gerald Hope, Daniel Kelly (excused), Maxine Thompson (excused), Ron Bressette (excused), Tim Joyce, Patricia Branson, Richard Knapp (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 and DOT&PF Legislative Liaison Connie McKenzie.

*Members of the public present:* Elwood Brehmer (Alaska Journal of Commerce) and Pat Eberhardt (Coastwise Corporation).

*Members of the public participating via teleconference:* Mayor Stephanie Scott (Haines Borough), Tim Bourcy (Skagway Port Commission), Jim Potdevin (SE Region DOT), Ashley Flippin, Doug Ward (Vigor Alaska), Kirsty Gladwell (Ferry Travel Gateway, B.C.), Dave Kensinger (City of Petersburg), Andy Varner (Southwest Alaska Municipal Conference (SWAMC)) and Bob Doll (Transfer Associates).

**Moment to Remember Board Member Mark Eliason**

Chair Venables lead a moment of silence in remember of John Mark Eliason. He went on to share an article written about Mark's life and his contributions to Alaska.

**Motion to Approve Agenda**

Gerry Hope moved to approve agenda; Shirley Marquardt seconded the motion. The motion passed unanimously.

**Motion to Approve Minutes**

Patricia Branson stated a correction in the last meeting minutes; it says Kodiak Daily Miner but is actually Kodiak Daily Mirror. Gerry Hope moved to approve the minutes with the correction given by Patricia Branson; Tim Joyce seconded the motion. The motion passed unanimously.

**Public Comments**

Kirsty Gladwell shared her concerns regarding new travel agent policy changes; she feels that insufficient consideration was given to how the changes would impact both travel agencies and the Marine Highway System. She requested that the board open a line of communication with DOT&PF about the new policy changes and to look further into the impact it will have on travel agencies.

Tim Bourcy spoke on behalf of the Municipality of Skagway regarding the float replacement project which Skagway supports. He requested that AMHS and the board keep in mind that the Municipality uses the East side of the dock for many different purposes during the design of the float.

Dave Kensinger, a 37 year commercial user of AMHS, requested an explanation for why the service to Prince Rupert cannot be increased in the summer and what can be done to show that the service is needed.

Mayor Stephanie Scott stated she that she is pleased with the Alaska Class Ferry (ACF) design and would like to thank Captain Falvey and his associates for their hard work.

### **Report from the Chair**

Chair Venables welcomed the new board members Richard Knapp and Patricia Branson. Richard Knapp is a thirty-three year resident of Alaska who came up from Washington, D.C. with the Coast Guard. He has worked at the DOT&PF as the Commissioner from 1984-1986, the Alaska Railroad and was formerly Vice President at Petro Marine in Juneau. Richard said he is looking forward to serving on MTAB. Patricia Branson is a thirty one year resident of Kodiak Alaska. She has worked as the Executive Director of the Senior Citizens of Kodiak for twenty five years, served on Kodiak Island Borough for twelve years, served on City Council, sits on State Coordinated Transportation Board, sits on Providence Kodiak Board as Chair, finished an eight year term on the Alaska Commissions on Aging and has been Mayor of Kodiak since 2011.

Chair Venables led the board in introducing themselves to the new members as well as the participants at the meeting.

A moment of appreciation was led by Chair Venables to thank Mike Korsmo for his years of service while serving on MTAB.

The Chair reported receiving many calls from different communities, SWAMC and many user groups regarding the Tustumena. The general consensus is that they are glad to see AMHS engaging communities.

The final AMHS 50<sup>th</sup> anniversary event was held last month, Gerry Hope and Maxine Thompson attended the festivities.

Chair Venables updated the board on how the legislative meetings went yesterday. The key statement received from all legislators was that there are limited capital and operating funds. The challenge will be reaching out to those who don't use the Marine Highway System and increasing awareness of its importance for not only transportation but state-wide economies as well. Chair Venables thanked the Marine Highway staff for helping create the fast fact sheet that was brought to meetings with legislators.

### **Alaska Class Ferry – Progress Report**

Deputy Commissioner Yost presented a progress report on the ACF. The ACF is based on twelve hour round trip operations. It has no passenger or crew accommodations and sails round trip between two terminals. The project has moved from the Design Concept Report (DCR) to Design Study Report (DSR) and is now in the functional design stage. The major design decisions for the ACF have been made and the annual operating costs calculated. Currently the annual operating cost in Lynne Canal is \$22 million, once the two vessel operation is up and running the annual operating cost is estimated to be \$15 million.

Public comments have been received and incorporated into the design. This include theaters being changed over to group lounges, different food service options, more electrical outlets, the relocation of air intake, larger passageways, elevators and a child play area. The Steering Committee comments incorporated into the design are wider car deck lanes, the relocation of lifesaving equipment, moving the wheelhouse forward, mooring arrangements, more durable fabric on seats and better lighting.

Final Plan Specifications & Estimates (PS&E) is predicted to be completed by the middle February. There will be a standardized cost estimate that will be worked on over the next month. The construction of the ACF is anticipated to commence in mid-2014 and completion is estimated to be mid-2016. Deputy Commissioner Yost emphasized that the main goal is to get the second boat completed allowing the two vessel operation to begin, which will enable the retirement of a mainliner.

Deputy Commissioner Yost and Captain Falvey addressed the board's questions: Will there be WiFi? - There are many factors that need to be looked at in order to have WiFi on the ACF, these factors are being looked into but it will take time; Who is designing the seats? - The seating design is being done by a sub-contractor at Elliot Bay; What makes up the operating cost reduction in Lynne Canal? - The \$7 million reduction comes primarily from labor, it will reduce staff from 84 to roughly 44; How will the ACF do in Lynne Canal? - The ACF will handle similar to the Taku. The only dock the ACF will have issues with is Tenakee as its dock is portside and most are starboardside. However, it could dock in Tenakee if it needed to; When will the schedule be released? - The schedule is estimated to be released sometime within the next year.

### **Tustumena Replacement Process & Update**

Captain Falvey updated the board on the Tustumena's replacement status. Ten million dollars have been set aside for the design phase of this project, which the Tustumena replacement project is currently in. The new Tustumena will be very similar to the old one due to dock access; the length of vessel can range between 296-340 ft. The design will also include looking at an unmanned engine room to help cut crew cost. During the design process, consideration will be given to the possibility of the new Tustumena being able to accommodate different ramp operations, both floating docks and those requiring vehicle elevators. The DSR phase will include a study on the possibility of building the Tustumena to be powered by Liquefied Natural Gas (LNG); the results of this study will be in the DSR. In addition to this study, the engines that will be installed in the new Tustumena have the capability of converting to be run on LNG at a later time if not initially.

Prior to final PS&E the Reconnaissance Report, Environmental Document (this gives us the option of accepting federal funds for the project) and the DSR must be completed. The final PS&E will take about a year to complete. The contract for the PS&E has been awarded to Glostien; their first priority is to visit all of the ports on the chain to analyze the terminals.

Public participation was initially considered for Homer, Kodiak and Dutch Harbor but will possibly involve other communities as well. A request was made from the board to switch the Reconnaissance Report date with the Public Participation date in order to have the Reconnaissance Report available during the Public Participation. Deputy Commissioner Yost suggested leaving the schedule as is and instead bring a draft Reconnaissance Report to the Public Participation. Once the design is completed money will be requested for the project; if federal funds are used the state will typically matches 9% of those funds.

**AMHS Staff Reports** – see attachment for fleet and terminal reports.

Captain Falvey and Deputy Commissioner Yost updated the board on the Whittier dock. During the initial repair, electrical wires were connected incorrectly causing damage to the ramp when it was operated. There is a temporary repair in process that is estimated to be completed by November 19<sup>th</sup> and a permanent repair will follow in spring 2014; the repair is estimated to take a week to complete. DOT&PF will work with MTAB when scheduling the permanent fix. The temporary and permanent repairs will total around \$1 million which is coming from federal emergency funds. Deputy Commissioner Yost acknowledged that communication with public could have been better throughout this process and has put in place a protocol for the future.

Deputy Commissioner Yost and Captain Falvey addressed the board on budget reductions. The budget reductions were spread out in order to ensure that not just one community was impacted by the budget reductions. Budget reductions implemented are: the elimination of travel commissions for military travelers and Alaska resident traveling in-state, the elimination of 30% winter roundtrip discount and summer driver goes free, the elimination of printed schedule, moving inventory from Bellingham to Ketchikan, implementing a new cell phone efficiency plan, centralizing office printing, reducing shore-side overtime and revoking Tok commissions. To ensure after hour phone calls are serviced, calls will be transferred to the nearest terminal for assistance. The new budget reduction policy will go in effect in May 2014. The total savings reduction from the above actions is 3.5 million for Fiscal Year 14 alone.

### **Legislative Recommendations**

Chair Venables requested that the board review the letter he sent to Governor Parnell with MTAB's legislative priorities for the upcoming year. Many suggestions were given by the board. It was discussed how the "fast fact" sheet they used in yesterday's meetings could be used in the future, possibly with MTAB's Legislative priorities listed on the back. Another suggestion was to look at the age of all the vessels in the fleet and create projection of eventual fleet replacement dates. The board moved on to review the MTAB recommendation for the Southeast Alaska Transportation Plan (SATP). Gerry Hope made mention that he will be doing an outreach to the conservation groups in Sitka to educate them on the possible road project to an east side ferry terminal. Chair Venables encouraged the board to email him thoughts on talking points and will reformate the legislative priority for discussion at the next MTAB meeting in Juneau.

### **Board Elections**

Gerry Hope moved to nominate Robert Venables for Chair; Cathie Roemmich seconded the nomination. The nominations were closed and passed unanimously.

Tim Joyce moved to nominate Gerry Hope for Vice Chair; Gerry Hope respectfully declined the nomination. Tim Joyce nominates Josh Howes for Vice Chair; Gerry Hope seconded the nomination. The nominations were closed and passed unanimously.

### **Board Comments**

Shirley Marquardt – Thanked AMHS for the work they are doing and is thankful for good leadership. This is a business and tough decisions have to be made, she appreciates knowing logistics behind decisions so they can report those to communities. Thank you to Chair Venables for his work.

Gerry Hope – Need to focus on where to go from here with educating the public and make a plan of action. Thank you to Deputy Commissioner Yost and Captain John Falvey for detailed presentations.

Tim Joyce – Need to look at the future. What vessels are going to need to be replaced? Continue enhancing communication between MTAB and DOT&PF.

Cathie Roemmich – Thank you to Chair Venables for all of his hard work. Captain Falvey is doing great and appreciates Deputy Commissioner Yost as well. We have to keep working with legislators.

Josh Howes – Would like to see an annual strategic plan meeting for long term planning.

Robert Venables – Everyone plays a key role on the board. Thanked Gerry for his work in Sitka. During the Legislative session MTAB may be called on to speak, and we need to be prepared for that. Glad for the Anchorage media attendance. Need to increase awareness of the system and its value within the state.

### **Next Meeting**

Chair Venables stated the next meeting will take place in Juneau, potentially in early February; at the next milestone for the Tustumena replacement project or the ACF.

### **Adjourn**

Meeting adjourned at 3:55 p.m.