



**CORDOVA
ELECTRIC
COOPERATIVE, INC**

P.O. Box 20, 705 Second Street, Cordova, Alaska 99574-0020 * (907) 424-5555 * Fax (907) 424-5555

March 3, 2015

House Finance Committee

RE: Support for Legislative Information Offices

Dear Co-Chairs - Representatives Thompson and Neuman:

As you contemplate necessary budget cuts, I encourage you to consider alternatives to the elimination of rural Legislative Information Offices. Please consider renegotiation of leases, reduction of off-session staffing and operations, or other internal suggestions from the LIO itself.

One of the ways Cordova Electric Cooperative has reduced our operating costs while maintaining communications with the Legislature is working through the LIO rather than continuously employing a lobbyist or travelling to Juneau frequently. Many Alaskans could not afford that level of access even if they desired to. I encourage you to fund the LIO's operation at least during the legislative session or those costs will shift back to those who seek to assist in shaping prudent policy for our state.

The Cordova LIO also provides high value by tracking bills and the status of hearings and policies and providing timely and accurate feedback and updates. This greatly reduces that burden on utility staff and other community interests including fisheries and tourism - critical industries that help us diversify our economy. Other services include permanent fund and citizenship assistance, particularly for the new residents and elderly of the state.

Thank you for your consideration and your work on behalf of our state during this challenging economic cycle.

Sincerely,

Clay Koplin, CEO

March 3, 2015

Clay Koplin, Former Marine Transportation Advisory Board (MTAB) written testimony to:

House Finance Committee Co-Chairs
House Finance Committee
CC: Representative Stutes and Senator Stevens

RE: HB72 - AMHS Funding Testimony

Dear Co-Chairs - Representatives Thompson and Neuman:

For seven years I served on the Marine Transportation Advisory Board (MTAB) for the Alaska Marine Highway System (AMHS). The ferries are more than a line-item expense. They are an integral and critical part of the economies of Alaskan communities both coastal and interior; I just use Cordova for familiar examples. Please consider the following before reducing services:

- In Cordova, a three-week cancellation of service resulted in losses of \$1,000,000 to fishermen when the processors had to freeze their fish instead of shipping them fresh through Anchorage by ferry and reduced the price by \$1.00 a pound to fishermen to maintain a market price
- An Estimated \$10,000,000 - \$20,000,000 of shopping by Cordova businesses and residents now occurs in Anchorage annually rather than in Seattle due to the FVF Chenega in Prince William Sound.
- The AMHS dramatically reduced the cost of Cordova student travel by allowing access to the closer southcentral region and allowing ferry travel versus air travel
- Fresh Copper River Salmon leaves Cordova on the ferry early in the morning via private carriers who deliver to Ted Stevens International Airport in time to catch early afternoon planes to markets all over the world. There are dozens of businesses and organizations in this value chain including the State of Alaska through raw fish tax revenues of this high-dollar market
- The recent 5% rate increase and dramatically lower fuel prices should be improving both the top and bottom line of AMHS financials, so why such deep cuts?
- Cordova lodging is often booked 3 years in advance, and cancelling ferry service on short (a few months or less) notice requires tourists to completely restructure travel plans which often results in cancellations to Alaskan businesses.
- Coastal construction, sewer, water, energy, airports, and roads projects – many of them partially funded by the State of Alaska and conducted by rail-belt based firms and vendors, rely on AMHS transportation to reduce transportation costs. Reducing ferry service just shifts the higher private sector costs to other departments or delay construction at great cost. Planning horizons are often several years.
- The greatest single complaint of the AMHS during my tenure on MTAB was an unreliable schedule. Indiscriminately taking ferries out of service forces businesses to seek alternatives, which further guts AMHS revenues – a downward spiral like the economies they touch.
- Please compare the cost of parking a ferry to the cost of operating it – it might surprise you.

Thank you for your consideration for funding the continued operation of our coastal highway,

Clay Koplin, Cordova