

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

April 2, 2004

1:02 p.m.

MEMBERS PRESENT

Representative Jim Holm, Chair
Representative Beverly Masek
Representative Nick Stepovich
Representative Vic Kohring
Representative Dan Ogg
Representative Mary Kapsner
Representative Albert Kookesh

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Paul Seaton
Representative Bruce Weyhrauch
Representative Beth Kerttula
Senator Kim Elton

COMMITTEE CALENDAR

OVERVIEW OF AMHS CENTRAL OFFICE RELOCATION FROM JUNEAU TO
KETCHIKAN

TAPES

04-12, SIDE(S) A & B
04-13, SIDE(S) A

CHAIR JIM HOLM convened the meeting of the House Transportation Standing Committee at 1:02 p.m. Representatives Holm, Masek, Stepovich, Kohring, Ogg, Kapsner, and Kookesh were present at the call to order. Also in attendance were Representatives Kerttula and Weyhrauch, and Senator Elton.

SUMMARY OF INFORMATION

CHAIR HOLM emphasized that to him it's imperative that when decisions are made, they are based on the memorandums that are given to staff and the information that is supplied by the

staff. He then referred to a memorandum dated January 6, 2004, which he didn't believe the Alaska Marine Highway System (AMHS) had addressed. The aforementioned memorandum discussed the processes AMHS would follow to improve marine operations. He requested that the memorandum be addressed.

MIKE BARTON, Commissioner, Department of Transportation & Public Facilities (DOT&PF), related that the most important benefit of relocating AMHS headquarters to Ketchikan is derived from the co-location of the fleet and shoreside management. He explained that to more effectively operate AMHS, the ship systems and operations must be better connected with the managers on the shore. He highlighted that AMHS already has a number of AMHS facilities located in Ketchikan, including the ferry terminal, three berths, the system warehouse, the port engineer's office, and a shore maintenance facility. Furthermore, much of the maintenance on the system vessels is performed at that Alaska Ship & Dry Dock facility in Ketchikan. Moreover, Ketchikan has a long-established marine industrial base. Commissioner Barton acknowledged that AMHS works well, but opined that it could work better. Also, the arrival of the fast ferry Fairweather is a sign that AMHS is entering a new phase. Commissioner Barton acknowledged that the relocation of AMHS Central Office has meant that some AMHS employees have had to make tough decisions and whatever an employee's decision, the department is prepared to aide them. Commissioner Barton turned attention to a briefing from the Department of Environmental Conservation (DEC), which details the cleanup of the mill site from 1997 to the final record of decision in 2000.

COMMISSIONER BARTON responded to questions with the following information. Commissioner Barton specified that the service to those in Western Alaska won't be impacted by this relocation. With regard to the public input on the matter of this relocation, he said that although the concept has been under consideration for a number of years, there wasn't widespread public [dissemination of] information or involvement. He addressed the staff that will remain in Juneau and those who will relocate to Ketchikan, specifying that those positions being relocated to Ketchikan deal with the fleet primarily. With regard to any impact to ticket sales and reservations, Commissioner Barton said that this relocation would have no impact on those functions. He noted that a Move Implementation Team has been established and is charged with determining the most efficient location for the following functions: reservations; dispatch; telecommunications; and marketing. Commissioner Barton specified that the goal is to not disrupt

any service to the public and the team has been asked to make recommendations to that end.

TOM BRIGGS, Deputy Commissioner/Director, Marine Highway System, Department of Transportation & Public Facilities, in response to questions, noted that the Marine Transportation Advisory Board was not asked to make a recommendation on the AMHS Central Office relocation. In regard to how the Incident Command System relates to AMHS and its ability to communicate, Mr. Briggs explained what a command center consists of and related that the US Coast Guard District 17 Marine Safety Officer has said the [US Coast Guard] would have no problem working with a command center in Ketchikan. In fact, the US Coast Guard already works with several other centers throughout the state. Furthermore, the M/V Kennicott is the most sophisticated incident command center there is and it's mobile. Mr. Briggs highlighted that the US Coast Guard has an integrated support command in Ketchikan as well as an extensive presence with search and rescue, law enforcement, environmental protection, and aides to navigation. The US Coast Guard also has three cutters stationed in Ketchikan. Mr. Briggs further highlighted that Ketchikan also has the Southeast Alaska Petroleum Resource Organization (SEAPRO). Mr. Briggs reviewed the Marine Transportation Advisory Board, which is charged with improving service at a reduced general fund subsidy. Mr. Briggs answered questions, including where maintenance and overhaul work would take place.

VERN JONES, Chief Procurement Officer, Division of General Services, Department of Administration, discussed the lease and some of the aspects of the building in Ketchikan. He clarified that the Ketchikan Gateway Borough would be the owner of the building. He noted that DOT&PF staff have surveyed the building and specified a number of deficiencies and problems with the building that are expected to be repaired prior to occupancy. The lease will include a requirement that licensed, qualified, and independent third parties, both structural and hazardous materials experts, survey the building and identify any problems. The independent third party, once any necessary work is completed, will certify that the building is safe for occupancy. The Department of Law and the director of the Division of Risk Management within DOT&PF is reviewing the proposed lease in order to ensure that the state's interests are protected. Mr. Jones stated that the lease for the building in Juneau is a binding and ongoing lease that can't be broken if only a portion of the space is vacated. However, there is some cost reduction in the Ketchikan lease that would allow the costs of the building in Juneau to be offset until a new tenant is

found. There was an indication that the lease of the building in Juneau goes through 2014.

Testimony was also given by the following: Roy Eckert, Manager, Ketchikan Gateway Borough; Al Johnson, Stop the Move Committee; and Patrick Wickens.

KURT FREDRIKSSON, Deputy Commissioner, Department of Environmental Conservation (DEC), discussed the site and the hazardous material activities that have occurred at Ward Cove.

ANNOUNCEMENTS

There were no announcements.

COMMITTEE ACTION

The committee took no action.

ADJOURNMENT

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.