

**ALASKA STATE LEGISLATURE
JOINT MEETING
HOUSE TRANSPORTATION STANDING COMMITTEE
SENATE TRANSPORTATION STANDING COMMITTEE**

March 11, 2003

1:35 p.m.

MEMBERS PRESENT

HOUSE TRANSPORTATION

Representative Jim Holm, Co-Chair
Representative Beverly Masek, Co-Chair
Representative Hugh Fate

SENATE TRANSPORTATION

Senator John Cowdery, Chair
Senator Donny Olson

MEMBERS ABSENT

HOUSE TRANSPORTATION

Representative Vic Kohring
Representative Dan Ogg
Representative Mary Kapsner
Representative Albert Kookesh

SENATE TRANSPORTATION

Senator Thomas Wagoner, Vice Chair
Senator Gene Therriault
Senator Georgianna Lincoln

COMMITTEE CALENDAR

OVERVIEW: PORT OF BELLINGHAM

PRESENTERS

Jim Darling, Executive Director
Port of Bellingham
P.O. Box 1677
Bellingham, WA 98227-1677

JIMMY BENTON, Port Commissioner

Port of Bellingham
P.O. Box 1677
Bellingham, WA 98227-1677

PETE CREMIN, Whatcom County Elective Executive
Port of Bellingham
P.O. Box 1677
Bellingham, WA 98227-1677

MARK OSMANSON, Mayor of Bellingham
Port of Bellingham
P.O. Box 1677
Bellingham, WA 98227-1677

TAPES

03-07, SIDE A [SENATE TRA TAPE]

SUMMARY OF INFORMATION

CHAIR JOHN COWDERY convened the joint meeting of the Senate Transportation Standing Committee and the House Transportation Standing Committee at 1:35 p.m. Present were Senators Cowdery and Olson and Representatives Holm, Masek and Fate.

CHAIR COWDERY announced the Port of Bellingham overview was before the committee. He invited Mr. Jim Darling to come forward.

JIM DARLING, Executive Director of the Bellingham Port Authority, introduced his party and expressed appreciation for having the ferry terminal in Bellingham. He described the terminal as a community project for both the State of Alaska and Bellingham.

JOHN CARTER, CFO and Terminal Building Manager, gave members a virtual tour of the Bellingham Ferry Terminal. He informed members that the Port of Bellingham (Port) has been involved with the State of Alaska since 1989 when the ferry terminus was moved from Seattle to Bellingham. At that time they signed a 20-year lease and to date have invested over \$11 million in the community and cruise facility.

Bellingham is located in burgeoning Whatcom County and is connected to Vancouver British Columbia and Seattle by rail service and Interstate 5. The community has a 100-year history of waterfront activity with much of it related to Alaska.

The terminal facility has five employees working under contract with the State of Alaska. They take reservations, handle staging operations, baggage handling, and security activities. He pointed out that the ferries are frequently filled to capacity and that the operation provides a steady source of revenue and economic stability.

He advised that over the next five to six years they anticipate spending up to \$300,000 in ongoing capital maintenance on the 14-year old facility and that they are faced with additional security costs for which they are not reimbursed. He noted that the ticketing contract is up for renewal in June 2003 and then reported that growth has flattened because the ferries are currently running close to capacity with regard to vehicles and staterooms.

He said their slogan this year is "Partner with the Port" and emphasized that they do not take this relationship for granted and will continue to work to maintain a successful partnership.

JIMMY BENTON, Port Commissioner, presented pictures of the Port to the committee members.

PETE CREMIN, Whatcom County Elective Executive, described Bellingham as a community with a strong affiliation with Alaska. He explained his personal ties to Juneau and emphasized the importance of the current relationship between Alaska and Bellingham/ Whatcom County. They are proud to call themselves the "Gateway to Alaska" and will work to fortify the current relationship.

MARK OSMANSON, Mayor of Bellingham, reported that they are delighted to have the Alaska Ferry Terminal in Bellingham and emphasized that the capacity concern pointed to earlier was not terminal capacity; rather, it was that the ferries are full. He assured members that any suggestions they have for improving the facility would be eagerly received.

SENATOR OLSON expressed appreciation at not having to pay Washington State tax when shopping in the state. He then asked whether expenses were rising faster than revenues.

MR. DARLING replied they are one of 80 port authorities in Washington and probably the most diversified. In addition to transportation facilities, they operate a large real estate portfolio of commercial and industrial property and have two

small boat harbors with about 2,500 vessels. There is high demand for both the marinas and the real estate which provide balance to the transportation facilities.

They have received considerable federal help to meet increased security costs for aviation, but that help has not been available in the marine area. Overall, diversification has softened recent economic blows.

SENATOR OLSON asked if there was danger of a marine strike that might impact Alaska.

MR. DARLING replied that issue is resolved and there is no need for concern.

SENATOR OLSON asked about custom facilities.

MR. DARLING replied there are custom facilities in Bellingham, on the boarder in Blaine and a regional office at the airport in Bellingham.

CO-CHAIR MASEK thanked the individuals for taking time to travel to Juneau to give the overview and expressed appreciation for a job well done.

MS. BENTON remarked that they have a hard working staff. He then advised that their municipal charter is a bit different from others in that they are allowed to make a profit. This benefits the community and helps defray the costs that some other governments have difficulty managing.

MR. DARLING thanked the committee and stated the relationship has been beneficial.

MAYOR OSMANSON said it would be fair to say that operating the Marine Highway System is a very expensive proposition, but the Bellingham portion is supported financially by Bellingham and Whatcom County and they are happy to provide support.

ANNOUNCEMENTS

There were no announcements.

ADJOURNMENT

There being no further business to come before the committee, Chair Cowdery adjourned the joint Senate and House Transportation Standing Committee meeting at 2:00 p.m.

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 Senate Records Office at Terry Miller Building, Room 226, Juneau, Alaska 99801, (907) 465-2870, and after adjournment of the second session of the 23 Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.