

Original sponsor: Specking,
M. Miller and Banfield, et al

Offered: 3/14/74
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 26

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 Requesting that the M/V WICKERSHAM be
6 restored to service in Southeast Alaska
7 and be used to inaugurate an all-Alaska
8 transportation route linking Southcentral
9 Alaska ports with those in Southeastern
10 Alaska and the continental United States.

11 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 WHEREAS the Department of Administration, in compliance with both ch.
13 34, SLA 1971 (authorization of sale), and a 1972 Act of Congress (three-
14 year waiver of Jones Act) has in good faith undertaken negotiations for the
15 sale of the M/V WICKERSHAM, but, to date, no sale has been consummated; and

16 WHEREAS, during the course of the globally advertised sale, through
17 internationally known ship brokers, the M/V WICKERSHAM has incurred substan-
18 tial costs without producing any revenue: dockage fees, maintenance to
19 prevent deterioration and crew salaries to ensure her safety and security;
20 and

21 WHEREAS restoration to service of the M/V WICKERSHAM, even under the
22 present Jones Act waiver, would permit use of this vessel during periods
23 when the capacity of existing "on line" ferryliners in the Southeast segment
24 of the Alaska Marine Highway is insufficient to meet demand; and

25 WHEREAS, already in 1974, the M/V MALASPINA, operating on a once-
26 weekly round trip schedule between Seattle and the Haines-Skagway terminals,
27 responding to increased winter tourism and the imminence of trans-Alaska
28 pipeline construction, is experiencing a demand for vehicle space and
29 passenger berths 10 per cent greater than her capacity to accommodate them;

1 and

2 WHEREAS, the MALASPINA will be in drydock for annual maintenance during
3 March and April, 1974, a period when experience indicates that the tourist
4 traffic begins, but also when the impact of the "start up" for the trans-
5 Alaska pipeline will begin to press the state's transportation network; and

6 WHEREAS Alaska's ferry system must have the vehicle and passenger
7 capacity to meet that demand -- a demand that cannot be satisfied by the
8 MALASPINA's less spacious sister ship, M/V MATANUSKA, that will take the
9 MALASPINA's place while she is in drydock because the MATANUSKA has space
10 for 20 per cent fewer vehicles than the MALASPINA and can accommodate but
11 one-third of the number of passengers in berths that the MALASPINA can
12 provide; and

13 WHEREAS the demand for ferry transportation, however, could be met if
14 the WICKERSHAM is used to supplement the present Seattle service by adding
15 a second weekly round trip sailing during the absence of the MALASPINA and
16 until the M/V COLUMBIA is in service because the temporary Jones Act waiver
17 does not expire until the COLUMBIA actually is plying the Inside Passage
18 between Seattle and Southeast Alaska; and

19 WHEREAS it is entirely possible that due to construction delays the
20 M/V COLUMBIA may not be in service as scheduled on May 31, 1974; and, even
21 if it is available, it is evident that the State of Alaska will require the
22 use of the new ferryliners as well as the M/V WICKERSHAM to supply urgently
23 required transportation services now and in the foreseeable future; and

24 WHEREAS the M/V COLUMBIA, now under construction as the WICKERSHAM's
25 replacement, contrary to popular understanding, is not, in terms of its
26 equipment and facilities, a precise equivalent of the M/V WICKERSHAM because
27 the COLUMBIA lacks the lifeboat, hospital and radio room equipment and
28 facilities that are mandatory requirements for ocean-going certification by
29 the United States Coast Guard, as well as the stabilizing equipment that is

1 highly desirable for ocean-going service -- all of which the WICKERSHAM
2 possesses; and

3 WHEREAS to equip the M/V COLUMBIA according to U. S. Coast Guard speci-
4 fications for ocean-going service, plus stabilizers, would require an
5 expenditure in excess of \$500,000 beyond the COLUMBIA's original contract
6 price; and

7 WHEREAS the cost of replacing the M/V WICKERSHAM in terms of today's
8 prices is at least four times her original cost to the State of Alaska, or
9 nearly \$30 million; if constructed new, several years of planning, general
10 obligation bond authorization, ballot approval and bond sale, and bidding
11 and construction would be consumed; and

12 WHEREAS the retention of the M/V WICKERSHAM, either under a five-year
13 extension of the present Jones Act waiver, or under a permanent exemption
14 from its provisions, will permit the Division of Marine Transportation to
15 inaugurate intertie ferry service across the Gulf of Alaska between Juneau
16 and Seward thus linking Southeast and Southcentral ports along the Alaska
17 Marine Highway on an all-Alaska route with the only vessel presently equipped
18 and certified to perform that service at a particularly critical time when
19 Alaska must use every available element in its transportation system to
20 ensure the movement of personnel, equipment and supplies essential to the
21 construction of the trans-Alaska pipeline; and

22 WHEREAS, in 1973, the legislature adopted House Concurrent Resolution
23 No. 18, amended in the Senate, requesting a feasibility study of state
24 ferry service between Southcentral Alaska and the continental United States
25 with intermediate stops in Southeast Alaska, and that study demonstrated
26 the desirability of the trans-Gulf ferry route; and

27 WHEREAS the only way the need can be determined is to commence service
28 on the route for a period of time sufficient to test actual public demand
29 with the one vessel presently capable of providing ocean-going service; and

1 WHEREAS it is well known that on her annual round trip for overhaul
2 and maintenance the M/V TUSTUMENA, the state's only other ocean-going
3 certified vessel, carries a capacity load of vehicles and passengers across
4 the Gulf of Alaska to Juneau and Seattle by only advertising the voyage in
5 the City of Seward or by word of mouth; and

6 WHEREAS, as pointed out in HCR 18 am S, by no stretch of the imagina-
7 tion can a trans-Gulf ferry route be considered parallel to existing highways
8 and

9 WHEREAS tentative explorations indicate that obtaining a Jones Act
10 waiver extension is not beyond the realm of possibility, especially consider-
11 ing that the state has made very substantial capital outlays since the
12 acquisition of the WICKERSHAM in 1968 in major construction of new vessels,
13 lengthening and improvement of existing ferryliners; these, plus additions
14 to the state's ferry fleet projected for the immediate future, as well as
15 annual overhaul and maintenance (all work supplied by the American ship-
16 building industry), total in excess of \$60 million over the last six and next
17 two years; and

18 WHEREAS it is now clear that the original cost of the M/V WICKERSHAM
19 pales in significance alongside the projected expenditure of state funds
20 for present and future expansion and modernization, as well as continuing
21 expenditures for annual operation and maintenance of the Alaska Marine
22 Highway fleet in American shipbuilding facilities; and

23 WHEREAS Alaska's experience indicates clearly that marine highway
24 maintenance costs compare very favorably with standard highway maintenance
25 costs; and

26 WHEREAS failure to sell the WICKERSHAM suggests that modern ferry
27 vessels can be designed in Europe and built either in European or Japanese
28 shipyards at less cost than the sale price demanded by the State of Alaska
29 for the M/V WICKERSHAM; it is equally apparent that the economics of the

1 shipbuilding industry worldwide may be such that the WICKERSHAM is not
2 saleable at any price the state will accept; therefore, to keep the M/V
3 WICKERSHAM tied up at a Seattle pier is to waste a \$10 million state asset
4 when this vessel, even under the present temporary waiver of the Jones Act,
5 still can provide a valuable, useful service by the transportation of
6 Alaska residents and visitors to this state, especially during the peak
7 months of tourist demand on the state ferry system -- demand that is occurring
8 earlier with each passing year -- as well as during the immediate future as
9 the state experiences the impact of the trans-Alaska pipeline;

10 BE IT RESOLVED by the Alaska State Legislature that the Governor is
11 respectfully requested to direct the Commissioner of Administration, the
12 Commissioner of Public Works, and the Director of the Division of Marine
13 Transportation to take the following course of action:

14 (1) cease all efforts to sell the M/V WICKERSHAM, notwithstanding
15 the provisions of ch. 34, SLA 1971;

16 (2) expedite the annual overhaul of the M/V WICKERSHAM and, not
17 later than March 1, 1974, or as soon thereafter as completion of drydock
18 maintenance will permit, restore the M/V WICKERSHAM to service in Southeast
19 Alaska so that it will be available during March, April and May when, due
20 to the drydock status of the M/V MALASPINA, the demand for vehicle and pas-
21 senger berth space will far exceed the capacity of the M/V MATANUSKA to
22 meet it, and, in any event, until the M/V COLUMBIA actually is in service
23 along the Inside Passage from Seattle to Southeast Alaska;

24 (3) following the arrival "on line" of the M/V COLUMBIA in
25 Southeast Alaska, begin trans-Gulf of Alaska ferry service between Juneau
26 and Seward and transfer the M/V WICKERSHAM to that route;

27 (4) begin construction of compatible docking and terminal facili-
28 ties for the M/V WICKERSHAM at Seward and plan their construction at Cordova
29 and Yakutat as intermediate stops;

1 (5) immediately begin efforts to obtain at least an extension of
2 the temporary waiver of the Jones Act, pointing out to the United States
3 Congress the reality of the world market for a used ferry vessel and the
4 very substantial investment currently being made, and projected for the
5 future, in American-built ferryliners, in their construction, operation and
6 maintenance; and be it

7 FURTHER RESOLVED that, absent an extension of the present waiver of
8 the Jones Act, the Governor is respectfully requested to direct the Commis-
9 sioner of Public Works and the Director of Marine Transportation to take the
10 following action with respect to the M/V WICKERSHAM:

11 (1) cease all efforts to sell the vessel, notwithstanding the
12 provisions of ch. 34, SLA 1971; expedite annual maintenance in drydock;

13 (2) use the vessel "on line" in the state ferry system only during
14 the annual tourist season for an express, nonstop service between Seward,
15 Haines, Juneau, Ketchikan and Prince Rupert or Vancouver;

16 (3) limit this express service to foot passengers and passenger
17 vehicles and those pickup trucks or similar vehicles without camper equip-
18 ment so that the overhead auto racks may be used, thus doubling the present
19 car deck capacity of the WICKERSHAM.
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