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ALASKA STATE LEGISLATURE

Sen. Lloyd Jones, Chairman
Sen. John B. "Jack" Coghill, Vice Chairman
Sen. Mitch Abood
Sen. Bettye Fahrenkamp
Sen. Tim Kelly

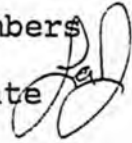


P.O. Box V
Juneau, AK 99811
907-465-4921

Senate Transportation Committee

MEMORANDUM

TO: House Transportation Committee Members

FROM: Senator Lloyd Jones, Chairman Senate Transportation Committee 

DATE: March 7, 1988

SUBJECT: CS for SCR 9, Relating to levels of service by the Alaska Marine Highway System.

SCR 9 asks the Governor to maintain a consistent level of Alaska Marine Highway service from year to year. In doing so, the Governor would ensure that all Alaskans who rely upon winter "roads" to support their local economies would have continued, reliable service.

All too often the Alaska Marine Highway is considered a special case, a subsidized tourist ship, rather than what it is for many Alaskans, their only highway. By geographic circumstance conventional highways are often cost prohibitive. Alaskans in many areas have foregone conventional roads because of the high costs or the impossibility of building roads. This has been the case in most areas of Southeast Alaska, some areas of Southcentral Alaska, and most areas of Southwest Alaska.

The effect of a reduced winter schedule would cause a ripple effect which would be felt by all Alaskans. The marine highway system is utilized by trucking firms to ship items from Seattle to Southeast, Southcentral, and Interior Alaska. There is also a growing amount of intrastate commerce, as fishmeal from Seward is shipped to Southeast hatcheries, and bait herring is shipped from Southeast to Southcentral Alaska for example. It has also been estimated that 40% of Marine Highway users traveling between Seattle and Haines are destined for the Southcentral, Interior, and other regions of the State.

I would appreciate your support of this resolution.

AMENDMENT

to CS SCR 9

Page two, line one: delete "the proposed further"

5-0601L ✓
Utermohle
3/4/88

Original sponsors: Jones, Coghill,
Duncan and Eliason

1 IN THE SENATE BY THE TRANSPORTATION COMMITTEE
2 HOUSE CS FOR CS FOR SENATE CONCURRENT RESOLUTION NO. 9 (Transportation)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Relating to levels of service by the
6 Alaska Marine Highway System.

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

8 WHEREAS interstate highways play an integral role in the commerce of
9 the state and the United States; and

10 WHEREAS the Alaska Marine Highway System is used by residents of the
11 Southeastern, Southcentral, Interior, and Southwestern Regions of the state
12 as an interstate and intrastate highway; and

13 WHEREAS the residents of Southeastern and Southwestern Alaska have
14 assented to a less convenient manner of transportation due to the high cost
15 of constructing roads and the limitations, imposed by geographic circum-
16 stances, upon road construction; and

17 WHEREAS the Alaska Marine Highway System is used by shippers to trans-
18 port produce and other essential goods from Seattle to the Southeastern,
19 Southcentral, and Interior Regions of the state, thus providing retailers
20 and consumers with these goods in the most timely manner possible; and

21 WHEREAS, in the winter months, approximately 40 percent of the users
22 of the Alaska Marine Highway System traveling between Seattle and Haines
23 are destined for the Southcentral, Interior, and other regions of the
24 state; and

25 WHEREAS the closure of, or reduced service on, a highway during winter
26 jeopardizes the tenuous winter economy of communities in the state; and

27 WHEREAS the Alaska Marine Highway System already operates at a reduced
28 level of service during the winter when compared to the level of service
29 during the summer; and

1 WHEREAS reductions in the winter schedule of the Alaska Marine Highway
2 System could severely damage the economy of communities dependent upon the
3 Alaska Marine Highway System for the reliable and continuous supply of
4 produce and other essential goods and for transportation services;

5 BE IT RESOLVED that the Alaska State Legislature respectfully requests
6 the Governor to direct the Department of Transportation and Public Facil-
7 ities to maintain the operation of the Alaska Marine Highway System at the
8 same level of service as during the last fiscal year.

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FISCAL NOTE

REQUEST:

Revision Date: 03/07/88
Title: "Relating to levels of service
by the Alaska Marine Highway System"
Sponsor: Senate Trans. Committee
Requestor: Representative Gato

Agency Affected: DOT&PF - AMHS
BRU: Marine Operations
Components: Southeast and Southwest
Vessel Operations and Overhaul

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|---------|---------|---------|---------|---------|
| PERSONAL SERVICES | | 2,481.4 | 2,481.4 | 2,481.4 | 2,481.4 | 2,481.4 |
| TRAVEL | | 47.2 | 49.5 | 52.0 | 54.6 | 57.3 |
| CONTRACTUAL | | 592.9 | 622.5 | 653.7 | 686.4 | 720.7 |
| SUPPLIES | | 675.6 | 709.4 | 744.9 | 782.1 | 821.2 |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | | 3,797.1 | 3,862.8 | 3,932.0 | 4,004.5 | 4,080.6 |
| CAPITAL | | 1,100.0 | -0- | -0- | -0- | -0- |
| REVENUE | | 1,800.0 | 1,872.0 | 1,946.9 | 2,024.8 | 2,105.8 |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|--|---------|---------|---------|---------|---------|
| GENERAL FUND | | 3,797.1 | 3,862.8 | 3,932.0 | 4,004.5 | 4,080.6 |
| FEDERAL FUNDS | | | | | | |
| OTHER | | | | | | |
| TOTAL | | 3,797.1 | 3,862.8 | 3,932.0 | 4,004.5 | 4,080.6 |

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS : (Attach a separate page if necessary)

(See Attached)

Prepared by: George W. Davidson, System Director
Division: Alaska Marine Highway System

Phone: 465-3950
Date: 03/07/88

Approved by Commissioner: [Signature]
Agency: Department of Transportation & Public Facilities

Date: _____

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CS FOR SENATE CONCURRENT RESOLUTION NO. 9 (Trans)

FISCAL NOTE ANALYSIS

The proposed legislation would request an increase in the level of direct public service provided by the Alaska Marine Highway System (AMHS) to that provided during FY86. In FY89, the cost of this additional service is estimated to be \$3,797.1. On the assumption that this increased level of service would continue beyond FY89, the additional expenditure authorization would be continued, with a 5% annual inflation factor applied to travel, contractual services, and supplies. Personal services costs are assumed to remain at a constant level.

It should be noted that in FY89, FY90, and FY91, the M/V TURTUMENA will be undergoing major refurbishment during her out-of-service periods. This would leave the southwest portion of the AMHS with only the only the M/V BARTLETT on-line for a longer than normal period during the winter. Therefore, the costs of contracting with a private carrier to reduce the period of single ship service to a normal level are included.

The capital costs shown are to construct and modify terminal facilities at Metlakatla and Hollis to accommodate the M/V CHILKAT. The M/V CHILKAT can no longer call at Metlakatla as a result of recent docking facility improvements and was removed from service beginning December, 1987. The Hollis facility is in need of modifications due to its deteriorating condition.

The expanded service will result in \$1,800,000 in additional revenues in FY89. Offsetting these revenues against the expenditure appropriation of \$3,797,100, the net cost of providing the additional service is \$1,997,100. A combination of traffic and tariff increases will result in a 4% annual revenue.

FEBRUARY 25, 1988

THE PRINCE OF WALES ISLAND COMMITTEE FOR IMPROVED FERRY SERVICE
REPRESENTING THE COMMUNITIES AND RESIDENTS OF THE THIRD LARGEST
ISLAND IN THE UNITED STATES, RESPECTFULLY SUBMIT THIS DOCUMENT
FOR YOUR CONSIDERATION AND ACTION.

Waunita Pannell

CHAIRMAN--Waunita Pannell

Percy Frisby

VICE-CHAIRMAN--Percy Frisby

PRINCE OF WALES ISLAND

SOUTHEAST ALASKA

COMMUNITIES ON THE PRINCE OF WALES ISLAND

| | |
|-----------------------|------------------------|
| <i>Cape Pole</i> | <i>Nichen Cove</i> |
| <i>Coffman Cove</i> | <i>Point Baker</i> |
| <i>Edna Bay</i> | <i>Port Alice</i> |
| <i>Happy Harbor</i> | <i>Port Protection</i> |
| <i>Hollis</i> | <i>Smith Cove</i> |
| <i>Hydaburg</i> | <i>Thorne Bay</i> |
| <i>Kasaan</i> | <i>Twelve Mile Arm</i> |
| <i>Klawock</i> | <i>View Cove</i> |
| <i>LaBouchere Bay</i> | <i>Waterfall</i> |
| <i>Long Island</i> | <i>Whale Pass</i> |
| <i>Naukati</i> | <i>Winter Harbor</i> |

POPULATION:

Approximately 6000 year-round residents

Approximately 8000 plus, during seasonal activities

ROAD SYSTEM:

700 plus miles

20 miles (.028%) paved; 80 miles (1%) gravelled; 600 miles (85%) narrow dirt road with little or no maintenance.

VEHICLE POPULATION:

3500 plus vehicles estimated year-round

OVERVIEW

The Prince of Wales Island road system is the most extensive of any in Southeast Alaska. It includes a network of over 700 miles with all the primary routes integrated into the Alaska State Highway Marine System.

The only access to Prince of Wales Island is by airplane or boat. The Alaska Marine Highway System provides a convenient and necessary link to other locations within the state and out of the state.

The recreational opportunities are among the greatest that the State of Alaska enjoys. There is easy access to Historical Sites, Fishing, Hunting, Camping and Wildlife viewing.

Boyer Freight Lines operates as as-needed barge service irregularly to the Island and is used largely to transport large equipment, flammables and large shipments of wood products that cannot be accommodated on the ferries.

Alaska Outport serves the Island approximately once a month with barge service for its members only.

The Island residents depend on the weekly Alaska Ferries from Seattle to Ketchikan to bring their perishables as well as much of their other freight to the Island.

Presently, seafood products are being shipped from the Island via the Alaska Marine Highway System. If there were more regularly scheduled sailings from the Prince of Wales Island, these freight shipments would be increased.

IN CONCLUSION, WE THE PRINCE OF WALES ISLAND COMMITTEE FOR
IMPROVED FERRY SERVICE ASK THAT YOU THOUGHTFULLY REVIEW OUR
REQUESTS AND PROVIDE THE SAME CONSIDERATIONS ENJOYED BY OTHER
AREAS OF THE STATE OF ALASKA.

THANK YOU FOR YOUR TIME AND YOUR CONSIDERATIONS.

Waunita Pannell

CHAIRMAN-Waunita Pannell

Percy Frisby

VICE-CHAIRMAN-Percy Frisby

FACTS

- FACT I. We the Prince of Wales Committee for Improved Service to the Island. Would like to make the suggestion that there be a meeting of all Captains of the Motor Vessels in usage for the purpose of informing the Department of Transportation, Division of Maintenance in charge of the scheduling, of their input as how to better improve the present mode of scheduling the entire system.
- FACT II. Klawock City School's cost in transporting students to school sponsored activities is over five (5) times the cost. Presently it costs \$65.00 RT to travel from Hollis to Ketchikan by plane. The cost per student on the ferry RT is only \$12.00 The weekend of March 4 and March 5 we will need to send 20 students to Ketchikan. Air cost will be \$1300.00. If the ferry were operating the cost would be \$240.00 Klawock will be joined by Hydaburg, Craig, and Thorne Bay in paying these higher transportation costs due to lack of ferry service at appropriate times.
- FACT III. Revenues now being infused into the Alaska Marine Highway System are in great danger of being placed into the hands of private enterprise. This statement is backed by the facts that there are now private barge services being offered to the container traffic areas that now are trying to make use of the Ferry System, but are unable to do so, because of the present system of scheduling.
- FACT IV. The people of Prince of Wales Island are now being forced to use a more expensive mode of travel because of the very poor scheduling of the Ferry System. Many find air travel and/or overnighiting in Ketchikan with families too costly for their budgets. The Ferry System is a State Highway connecting Prince of Wales and Ketchikan and should be usable at more convenient times. Air travel during much of the year is uncomfortable, frightening or impossible because of inclement weather, besides being cost prohibitive.
- FACT V. Clark Bay is in the process of being improved so as to accommodate the MV Taku and/or her sister ships. This has been a great improvement to the port of Clark Bay terminal, at times, directly ahead of the Aurora, causing a doubling up of the ferries from the same port at about the same time, with the same port of destination.
- FACT VI. Legislative bill #HB377 was passed in 1986 requiring that handicapped access be provided on our ferries. It was backed by appropriations in 1986 and 1987. The equipment for chair lifts on the stairs of the LeConte and the Aurora were ordered. When were they ordered, and as both of these vessels have been in dry dock this winter, why were they not installed?
- FACT VII. Other highway systems in the State of Alaska are obtaining funding for improvements, maintenance, repair, policing, etc. The areas only serviced by the State's Marine Highway System should have the same access of state funding, to maintain and improve the service.

FACTS

- FACT VIII. The staging area is most unsatisfactory as passengers and vehicles vie for space with the freight services. It is not only dangerous and conducive to accidents, it is difficult especially for the elderly and handicapped to traverse the area to get to the ferry terminal. The previously appropriated funds for the improvement of the facility have not been used.
- FACT IX. We appreciate the improved service scheduling for the summer months, however, it still is not adequate for the tremendous traffic during this period.
- FACT X. Word has been received that the Seattle ferry may be discontinued in a rescheduling effort to try to make an efforts at a budget-saving plan. We find this solution to the scheduling efforts not an acceptable conclusion to the problems. Transportation of freezer/cooler products to Southeast as well as exports of seafood products to the lower 48 states depend on this scheduled run and would be in serious jeopardy were this to happen.
- FACT XI. The Department of Transportation spends \$2,500.00 for every mile of land highway, (gaining nothing from passenger revenue) while only \$73.00 per mile of actual travel by the Alaska Marine Highway System. (recouping some of the revenue in the form of fares). The Prince of Wales Committee would like to suggest to the Department of Transportation, the possibility of equalizing these expenditures between the land system and the marine system.

PROPOSAL

WHEREAS, The Prince of Wales Committee for improved service to the Island via Alaska Marine Highway System.

WHEREAS, The island population is approximately 4700 to 5200 persons and the embarking - dis-embarking statistics of the Alaska Marine Highway usage for 1986 was above and comparable to larger ports.

WHEREAS, Our present schedule (especially during winter months) does not meet the direct needs of the people of Prince of Wales Island.

WHEREAS, The lack of daily schedules hinder the people from using the services of Physicians, Medical facilities, Attorneys and other professionals without the additional expense of having to make use of the airline services rather than the ferry system.

WHEREAS, The ferry does not allow for travelers who would like to utilize the weekend in Ketchikan to do so without loss of time from work.

WHEREAS, Ketchikan City and Borough and the State of Alaska are losing daily revenue, as money is being spent on mail order services, that would otherwise be directed to the city.

WHEREAS, With a regular daily schedule there would be more participation on the Marine Highway between families of Prince of Wales and Ketchikan. also, the possibility of added tourism to the island.

WHEREAS, With the daily schedule the school systems of Prince of Wales would be able to participate in more activities to benefit the students and also increase ridership rather than being forced to utilize the airline system, which is sometimes cost prohibitive and impossible due to weather conditions.

WHEREAS, An early haul-out of the M.V. Aurora (during the winter months) causes an extra burden on those leaving for the winter, or taking vacations during the holidays.

WHEREAS, The handicapped do not have access to special care and handling such as elevators for the ill, aged or wheel chair confined.

WHEREAS, this committtee is aware of the endeavors of the ANB-ANS Grand camp and the city of Hydaburg towards the same effort.

WHEREAS, This committee would like to have this petition draw special attention to their efforts.

THEREFORE, Be it resolved that the Prince of Wales Committee for Improved Service to the Island via Alaska Marine Highway system urges the Department of Transportation and the Legislature to upgrade and improve the present service to the island in accordance with the above mentioned items to ensure regular guaranteed scheduling that the people of Prince of Wales can rely upon.