

**H C R**

**12**

### FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: "Relating to the Alaska Marine  
Highway System Master Plan"  
Sponsor: Hudson et al  
Requestor: \_\_\_\_\_

Agency Affected: DOT/PF-AMHS  
BRI: Marine Facilities Engineering  
Components: CIP Program

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

No fiscal impact is anticipated. See Position Paper.

Prepared by: George W. Davidson, System Director  
Division: Alaska Marine Highway System  
Approved by Commissioner: Mark S. Hickey  
Agency: Department of Transportation/Public Facilities

Phone: 465-3950  
Date: 2/15/89  
Date: 2/15/89

**Distribution (by preparer):**

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

- Fiscal note -

Offered: 3/3/39  
 Referred: Rules

Original sponsors: Hudson, Cato,  
 Ulmer, et al.

IN THE HOUSE

BY THE FINANCE COMMITTEE

CS FOR HOUSE CONCURRENT RESOLUTION NO. 12 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

Relating to the Alaska marine highway  
 system master plan.

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

WHEREAS the Alaska marine highway system was created to provide an intrastate transportation link between coastal communities in Southeast and Southwest Alaska and an interstate link between Alaska and the continental highway system; and

WHEREAS expansion of the Alaska marine highway system has been directly associated with the growth and economic and social development of the coastal communities served and the changing transportation needs of the state as a whole; and

WHEREAS the first priority for the Alaska marine highway system is to provide intrastate transportation to communities not linked by road to the state highway system; and

WHEREAS the Alaska marine highway system is essential to the economic viability of Southeast and much of Southwest Alaska and supports significant over-the-highway freight and tourist trade and travel between central Alaska and Alaska's state capital; and

WHEREAS five of the nine vessels of the Alaska marine highway system, including the mainline ferries Matanuska, Taku, Malaspina, and Tustumena, are over 25 years old and will be approaching the end of their useful economic lives in 5 to 10 years; and

WHEREAS there is growing public dissatisfaction with ferry schedules, fares, and services provided by the Alaska marine highway system; and

WHEREAS a new breed of fast ferries exists today that offers improved

services with lower capital and operating costs; and

WHEREAS fast ferries can be acquired for a fraction of the replacement cost for the existing LeConte-class vessels and would provide greater flexibility for system expansion and scheduling; and

WHEREAS strategically employed fast ferries can maximize the use of mainline ferries and extend the useful and economic life of these expensive vessels; and

WHEREAS the Southeast Transportation Plan, dated June 1986, recognized the growing obsolescence of the fleet and recommended the purchase and employment of three new fast ferries to operate on the Ketchikan to Hollis, Sitka to Juneau, and Juneau to Skagway routes and recommended new roads be constructed, subject to funding and further environmental impact analysis; and

WHEREAS the concept of mainline ferry service, supplemented by fast ferries, new roads, and beneficial schedule changes has been adopted by the Southeast Conference and recent agreements adopted by the cities of Haines, Skagway, and Juneau; and

WHEREAS chapter 128, SLA 1986, appropriated \$4,900,000 to acquire the first of the recommended fast ferries; and

WHEREAS the Department of Transportation and Public Facilities has expended more than \$600,000 of that appropriation for other marine highway projects and has not taken any action to purchase a fast ferry; and

WHEREAS the federal government has advised the Department of Transportation and Public Facilities that federal funds will not be authorized to purchase fast ferries until a marine highway system master plan has been prepared and adopted by the commissioner of transportation and public facilities; and

WHEREAS the Department of Transportation and Public Facilities advised the legislature that the Alaska marine highway system master plan was in a

draft stage in January 1988, and should be completed in 60 to 90 days; and

WHEREAS the Department of Transportation and Public Facilities has neither adopted the plan nor circulated the plan for legislative review; and

WHEREAS it is in the best interest of all affected communities, traditional ferry users, and the state as a whole, that the master plan be completed, transmitted to the legislature for review and approval, and adopted and implemented on schedule by the Department of Transportation and Public Facilities; and

WHEREAS the legislature should be provided drafts and completed plans of all major transportation proposals affecting the citizens of this state in a timely manner and any changes to an adopted plan should be transmitted for review and approval before those changes are effected;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to direct the Department of Transportation and Public Facilities to expeditiously complete the federally required Alaska marine highway system master plan and to submit the master plan to the legislature for review by April 15, 1989; and be it

FURTHER RESOLVED that the master plan must include

- (1) community and user comments and recommendations;
- (2) Alaska marine highway system employee recommendations;
- (3) a written summary of the relationship between the Alaska marine highway system master plan and the state transportation long-term plan;
- (4) preliminary assessments of environmental impacts;
- (5) a condition survey of vessels and facilities;
- (6) a marketing, advertising, and promotional plan;
- (7) proposals for changes in short-term and long-term operating budgets;

(8) crew schedules;

(9) a statement on the effect of the Alaska marine highway system on Alaska hire, Alaska residency, and local purchase;

(10) information relating to training;

(11) a statement on the compatibility of the plan with traditional commercial users; and

(12) a statement of the improvements in services provided by the Alaska marine highway system.

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STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907.465.3800

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HCR 12

House Trans.

2/14/89

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: "Relating to the Alaska Marine Highway System Master Plan"  
Sponsor: Hudson et al  
Requestor: \_\_\_\_\_

Agency Affected: DOT/PF-AMHS  
BRU: Marine Facilities Engineering  
Components: CIP Program

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS : (Attach a separate page if necessary)**

No fiscal impact is anticipated. See Position Paper.

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

Phone: 465-3950

Date: 2/15/89

Approved by Commissioner: Mark S. Hickey  
Agency: Department of Transportation/Public Facilities

Date: 2/15/89

**Distribution (by preparer):**

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

SENATE COMMITTEE REPORT



FURTHER

3/9/89

DATE TURNED INTO OFFICE March 31, 1989

Mr. President:

TRSP Committee considered CSHCR 12 (FIN)

Alaska marine highway system master plan

and recommended

- replace with S CS ~~CS~~ HCR 12 (Trsp) )  same title
- or adopt ~~SES R~~ CS ~~HCR 12~~ (Trsp) )  new title
- attached amendment(s) and  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

**FISCAL NOTE(S)**  zero  fiscal impact  appropriation no FN  
 new  updated  previous  
 same as previous fiscal note(s) published \_\_\_\_\_

MEMBERS SIGNING DO PASS

*Pat Louch*  
*Paul Grub*

OTHER RECOMMENDATIONS

*Vahrensberg No Rec*

*Alvin Jones (Do Pass)*  
 Chairman signature and recommendation

Committee Backup attached

**STATE OF ALASKA  
1989 LEGISLATIVE SESSION**

**BILL VERSION:** SCS CS HCR 12 (Trap)  
**PUBLISH DATE:** \_\_\_\_\_

**FISCAL NOTE**

**REQUEST:**

Revision Date: 04/03/89  
Title: "Relating to the Alaska Marine Highway System master plan"  
Sponsor: Hudson, Cato, Ulmer, et al  
Requestor: \_\_\_\_\_

Agency Affected: DOTPF - AMHS  
BRU: Marine Facilities Engineering  
Components: CIP Program

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
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LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>						
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<b>REVENUE</b>						
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

No fiscal impact is anticipated.

Prepared by: George W. Davidson, System Director Phone: 465-3950  
Division: Alaska Marine Highway System Date: \_\_\_\_\_

Approved by Commissioner: Mark S. Hickey Date: \_\_\_\_\_  
Agency: Department of Transportation & Public Facilities

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

Original sponsors: Hudson, Cato,  
Ulmer, et al.

IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 12 (Transportation)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - FIRST SESSION

Relating to the Alaska marine highway  
system master plan.

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

WHEREAS the Alaska marine highway system was created to provide an intrastate transportation link between coastal communities in Southeast and Southwest Alaska and an interstate link between Alaska and the continental highway system; and

WHEREAS expansion of the Alaska marine highway system has been directly associated with the growth and economic and social development of the coastal communities served and the changing transportation needs of the state as a whole; and

WHEREAS the first priority for the Alaska marine highway system is to provide intrastate transportation to communities not linked by road to the state highway system; and

WHEREAS the Alaska marine highway system is essential to the economic viability of Southeast and much of Southwest Alaska and supports significant over-the-highway freight and tourist trade and travel between central Alaska and Alaska's state capital; and

WHEREAS five of the nine vessels of the Alaska marine highway system, including the mainline ferries Matanuska, Taku, Malaspina, and Tustumena, are over 25 years old and will be approaching the end of their useful economic lives in 5 to 10 years; and

WHEREAS there is growing public dissatisfaction with ferry schedules, fares, and services provided by the Alaska marine highway system; and

WHEREAS a new breed of fast ferries exists today that offers improved

services with lower capital and operating costs; and

WHEREAS fast ferries can be acquired for a fraction of the replacement cost for the existing LeConte-class vessels and would provide greater flexibility for system expansion and scheduling; and

WHEREAS strategically employed fast ferries can maximize the use of mainline ferries and extend the useful and economic life of these expensive vessels; and

WHEREAS the Southeast Transportation Plan, dated June 1986, recognized the growing obsolescence of the fleet and recommended the purchase and employment of three new fast ferries to operate on the Ketchikan to Hollis, Sitka to Juneau, and Juneau to Skagway routes and recommended new roads be constructed, subject to funding and further environmental impact analysis; and

WHEREAS the concept of mainline ferry service, supplemented by fast ferries, new roads, and beneficial schedule changes has been adopted by the Southeast Conference and recent agreements adopted by the cities of Haines, Skagway, and Juneau; and

WHEREAS chapter 128, SLA 1986, appropriated \$4,900,000 to acquire the first of the recommended fast ferries; and

WHEREAS the Department of Transportation and Public Facilities has expended more than \$600,000 of that appropriation for other marine highway projects and has not taken any action to purchase a fast ferry; and

WHEREAS the federal government has advised the Department of Transportation and Public Facilities that federal funds will not be authorized to purchase fast ferries until a marine highway system master plan has been prepared and adopted by the commissioner of transportation and public facilities; and

WHEREAS the Department of Transportation and Public Facilities advised the legislature that the Alaska marine highway system master plan was in a

draft stage in January 1988, and should be completed in 60 to 90 days; and

WHEREAS the Department of Transportation and Public Facilities has neither adopted the plan nor circulated the plan for legislative review; and

WHEREAS it is in the best interest of all affected communities, traditional ferry users, and the state as a whole, that the master plan be completed, transmitted to the legislature for review and approval, and adopted and implemented on schedule by the Department of Transportation and Public Facilities; and

WHEREAS the legislature should be provided drafts and completed plans of all major transportation proposals affecting the citizens of this state in a timely manner and any changes to an adopted plan should be transmitted for review before those changes are effected;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the Governor to direct the Department of Transportation and Public Facilities to expeditiously complete the federally required Alaska marine highway system master plan and to submit the master plan to the legislature for review by April 15, 1989; and be it

FURTHER RESOLVED that the master plan must include

- (1) community and user comments and recommendations;
- (2) Alaska marine highway system employee recommendations;
- (3) a written summary of the relationship between the Alaska marine highway system master plan and the state transportation long-term plan;
- (4) preliminary assessments of environmental impacts;
- (5) a condition survey of vessels and facilities and a long-term vessel replacement plan;
- (6) a marketing, advertising, and promotional plan;
- (7) proposals for changes in short-term and long-term operating

budgets;

(8) crew schedules;

(9) a statement on the effect of the Alaska marine highway system on Alaska hire, Alaska residency, and local purchase;

(10) information relating to training;

(11) a statement on the compatibility of the plan with traditional commercial users; and

(12) a statement of the improvements in services provided by the Alaska marine highway system.

# Alaska State Legislature



REPRESENTATIVE BILL HUDSON

P.O. BOX V  
Juneau, Alaska  
99811  
(907)465-3744 or 4991

COMMITTEES:

Transportation  
Resources  
Foreign Trade

FINANCE SUBCOMMITTEES

DOT/PF  
C & RA

March 10, 1989

MAR 14 1989

Senator Lloyd Jones, Chairman  
Senate Transportation Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Jones:

HCR 12 passed the House on Wednesday, and will soon be transmitted to the Senate Transportation Committee for deliberation.

This resolution calls for the Alaska Department of Transportation and Public Facilities to finish the federally required plan in order that Alaska can receive federal funding for fast ferries, roads or other associated ferry system costs.

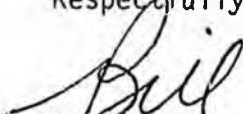
The mainline ferries on the system are quickly approaching the end of their useful economic lives, and we must begin to consider how best to upgrade the system in order to meet tourist and over-the-highway freight needs in Alaska.

I believe fast ferries can be acquired for a fraction of the replacement cost for existing LeConte-class vessels and would provide greater flexibility for system expansion and scheduling, and that strategically employed fast ferries can maximize the use of the mainline ferries and extend the useful economic lives of these expensive vessels.

Your scheduling this resolution for a hearing before the Senate Transportation Committee as soon as possible will be very much appreciated.

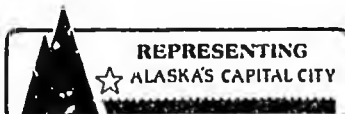
If you or your staff desire further information, please call me at 3744 or 4991.

Respectfully,

  
Bill Hudson

Enclosures

BH/k1c





Dept. of Transportation & Public Facilities

POSITION PAPER

BILL NO: HCR 12

TITLE: Relating To the Alaska Marine Highway Master Plan

APPROVED: Mark S. Hickey Commissioner DATE: February 15, 1989

HCR 12 requests that the Alaska Marine Highway System Plan be completed and submitted to the legislature for review and approval by April 15, 1989 and that it include the following elements:

<u>Item</u>	<u>Concur</u>	<u>Disagree</u>
(1) community and user comments and recommendations;	See comment	
(2) Alaska Marine Highway System employee recommendations;	See comment	
(3) consideration of road alternatives;		See comment
(4) assessments of environmental impacts;		See comment
(5) a condition survey of vessels and facilities;	Concur	
(6) a marketing, advertising and promotional plan;	Concur	
(7) proposals for changes in short-term and long-term operating budgets;		Concur
(8) crew schedules;	Concur	
(9) a statement on the effect of Alaska hire, Alaska residency, and local purchase on the Alaska Marine Highway System;	Concur	
(10) information relating to training;	Concur	
(11) a statement on the compatibility of the plan with traditional commercial users;	Concur	
(12) a discussion of the relationship between the Alaska Marine Highway System master plan and the state transportation long-term plan;	Concur	
(13) a statement of the improvements in services provided by the Alaska Marine Highway System.	Concur	

(1) Community and User Comments and Recommendations: This information was collected in 1986 in a public involvement program conducted as part of development of the draft System Plan. The comments and recommendations received will be published with the plan. Completion of this task is included in the present AMHS capital budget, and will have no additional fiscal impact. A new effort to collect this information would prevent completion of the plan by April 15, 1989, and would cost an additional \$15,000.00. Since there have been no significant changes to the plan since the public review, it does not appear to be necessary to repeat this process.

(2) Alaska Marine Highway System Employee Recommendations: This information was also collected in 1986 as part of development of the draft System Plan. These recommendations will be included with the report on the public involvement program and its results. A new effort to collect this information at this time would seriously jeopardize completion of the plan by April 15, 1989, but would not add any significant cost.

(3) Consideration of Road Alternatives: As part of the Department's planning structure, the AMH System Plan relies on regional plans for the analysis of other transportation modes such as roads and aviation. The System Plan focuses on effective delivery and improvement of AMHS services. With this focus, The System Plan uses the work on roads and highways, to be found in the Southeast Alaska Transportation Plan, the Kenai Regional Transportation Study, etc., as its base for evaluating alternatives for making connections between communities and highways. Including analysis of road alternatives in the AMH System Plan would duplicate work already done elsewhere, and would prevent completion of the plan by April 15, 1989. Such work would increase the cost of System Plan completion by \$100,000.00. The various Southeast Alaska road options presently under consideration were all evaluated by the Southeast Alaska Transportation Plan, and have been taken into consideration in development of the AMH System Plan.

(4) Assessments of Environmental Impacts: In a similar vein, the AMH System Plan relies on the the general environmental assessment

provided by the regional plans for the geographic areas in which it operates. Incorporating any more detailed environmental assessment in the System Plan goes far beyond the scope of the planning process and would incur unjustifiable delays and expense. More detailed environmental analysis is properly conducted as part of individual projects implementing the recommendations of the Plan.

(5) Condition Survey of Vessels and Facilities: Condition surveys of vessels and facilities are an ongoing activity of the AMHS Operations and Marine Facilities Engineering branches. Surveys of shore facilities are published each year in the Shore Facility Condition Survey report. Vessel surveys are conducted by AMHS Operations maintenance personnel on a more or less continual basis and by the American Bureau of Shipping on a periodic basis. This information has been collected and used as the basis for System Plan recommendations on maintenance and in developing the long term capital improvement portion of the Plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(6) Marketing, Advertising and Promotional Plan: A marketing, advertising and promotional plan was one of the recommendations received during the public involvement program previously conducted. Such a plan will be included in the final System Plan and has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(7) proposals for changes in short-term and long-term operating budgets: The draft Plan makes recommendations for changes in short and long-term AMHS financing, both capital and operating. This task has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(8) Crew Schedules: Crew schedules are included in a number of analyses conducted in development of the draft plan. In particular, crew schedules are included in the evaluation of high speed ferries and alternative route configurations for the existing fleet. The draft Plan takes into consideration both the cost and employee

impacts of the crew schedules required to implement the Plan's recommended route and fleet structure. This task has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(9) Statement on the Effect of Alaska Hire, Alaska Residency, and Local Purchase on the Alaska Marine Highway System: A statement on the effect of Alaska hire, Alaska residency and local purchase on the Alaska Marine Highway System will be included in the final plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(10) Information Relating to Training: Information relating to training has already been included in development of the marketing portion of the Plan. Other recommendations of the Plan which require training as part of implementation will include information on the training required. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(11) Statement on the Compatibility of the Plan with Traditional Commercial Users: The impacts of the plan on traditional commercial users were explored in the public involvement program previously conducted. The comments and recommendations of commercial users have been incorporated in the plan and will be reported in the appendix detailing the public involvement program. This task has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(12) Discussion of the Relationship Between the Alaska Marine Highway System Master Plan and the State Transportation Long-Term Plan: The draft Plan discusses and explains the relationship between itself and the State's long term transportation plans in detail. This task has been anticipated in the present budget for completion of the plan. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

(13) Statement of the Improvements in Services Provided by the

Alaska Marine Highway System: The final plan will include a statement of the improvements in services recently initiated by the System. Inclusion of this element will have no impact on the schedule or cost of completion of the Plan.

Other Comments: The draft System Plan represents a flexible guide to the improvement and development of the Alaska Marine Highway System. The Plan provides the public with a consistent standard for decisions about System development, while affording Department management a vehicle for affecting the System's direction. The Plan represents today's best guess about the future and must be periodically updated in order to remain relevant. In order to keep the Plan current, computerized tools have been created to help make sure that the plan can be responsive to Alaska's economic environment.

A microcomputer model of the System's financial behavior has been built. This model allows management to estimate the short and long term cost of operating the system with almost any fleet and route configuration. Called the "System Performance Model, or SPM for short, the model was used to produce the financial projections in the present draft System Plan and will be used again in the completion of the Plan to bring those projections current. The SPM has also been used to evaluate the various route configurations identified in the legislative intent attached to Chapter 95, SLA 87, page 99, as well as the change in southern terminus from Seattle to Bellingham.

The System Performance Model or SPM consists of three major parts all running in LOTUS 123. The Financial Module models system financial behavior and estimates net cash flow requirements (both operating and capital) for each year for twenty years into the future. This is the information which is used for comparison and evaluation of alternative operating scenarios. Feeding the Financial Module's revenue projections with data is the traffic projection module, AMFOR. This part of the SPM predicts traffic for each of the major sub-components of the existing AMHS route system (Southeast Mainline, Southeast Secondary and Southwest). The Vessel Scheduling Module, or VSM, allows "what if" analyses of route structures differing from those presently existing.

Together these various parts provide management with a powerful tool. Choices about the development or improvement of the system can be tested without incurring the costs actual changes.

HOUSE COMMITTEE REPORT

*Lules*

(11)

Date Referred: February 17, 1989

FURTHER REFERRALS:

Date of Committse Action: 3/2/89

The FINANCE Committee considered:

HCR 12

HOUSE CONCURRENT RESOLUTION NO. 12

[MARINE HIGHWAY MASTER PLAN]

Relating to the Alaska marine highway system master plan.

RECOMMENDS:

- replacing with CS HCR-12 (Fin)  the same title
- the attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact
- zero fiscal note
- zero with analysis

APPROVES PREVIOUS:

- fiscal note(s) published:
- zero fiscal notes(s) published:  
Trsp. 2/17/89

SIGNING DO PASS:

Ronald J. Larson Larson

Lay Brown Brown

John Ulmer Ulmer

Thomas Barnes Barnes

Paul Shultz Shultz

ROBERT PHILLIPS Phillips

Steve Rieger Rieger

SIGNING OTHER THAN DO PASS:

(Do Not Pass, No Recommendation, Amend)

no rec Koponen

Ronald J. Larson  
Chairman's signature