

SB

21

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR TAYLOR

TO: SB 21

1 Page 16, line 7, following "Authori":

2 Insert "under this section"

3 Page 16, following line 15:

4 Insert a new bill section to read:

5 **** Sec. 22.** AS 36.90.050 is amended by adding new subsections to read:

6 (c) When determining whether a marine vessel should be maintained or
7 repaired at a shipyard facility located in the state, the commissioner of the department
8 that operates the vessel shall use the lower of the budgeted cost of the maintenance
9 or repair work or the anticipated actual cost of the maintenance or repair work in
10 evaluating whether the proposed cost of the maintenance or repair work is reasonable.

11 (d) In this section, "interport differential" includes all costs related to the
12 performance of the maintenance or repair work of a marine vessel at a shipyard
13 located outside of the state, including labor and travel costs incurred moving the
14 vessel from its Alaska home port to the shipyard outside of the state; additional fuel
15 consumption; cost of consumables including lubricants and other engine, deck, and
16 galley stores; maintenance costs incurred during running time; cost of crew transfers
17 including airfare between Alaska and the shipyard; wages; crew room and board; per
18 diem for other employees; agency overhead; dockage or port charges incurred while
19 the maintenance or repair work is being conducted; and costs related to loading,
20 bunkering, and preparing for the voyages to and from the vessel's Alaska home port."

21 Renumber the following bill sections accordingly.

22 Page 21, line 6:

- 1 Delete "31, and 33"
- 2 Insert "22, 32, and 34"

3 Page 21, line 8:

- 4 Delete "34"
- 5 Insert "35"

KDN 2/21/97

Ferry workers testify; support authority

By CATHY ST. JOHN
Daily News Staff Writer

Problems plaguing the Alaska Marine Highway System are because its senior management will not listen to the public's needs or crew suggestions, a series of speakers, including ferry workers, told a Senate Transportation Committee on Tuesday.

Department of Transportation Commissioner Joseph Perkins and AMHS Director Gary Hayden listened but will not present their testimony until a later committee hearing.

The teleconference was scheduled to receive testimony on Senate Bill 21, proposed by Sen. Robin Taylor, R-Wrangel, to create a semi-autonomous authority to manage the Alaska Marine Highway System.

A seven-member, governor-appointed board is proposed, which would include the DOT commissioner and six members with maritime backgrounds.

Senate Transportation Committee chairman Sen. Jerry Ward, R-Anchorage, vice chairman Sen. Gary Wilken, R-Fairbanks, and committee member

Sen. Lyda Green, R-Wasilla listened from Juneau. Members Sen. Dric Pearce, R-Anchorage, and Sen. John Torgerson, R-Kasilof, were absent.

Taylor chairs the Transportation Committee's Senate Task Force on the ferry system. Pearce and Torgerson are the other members of the task force, which identified several issues in recommending the authority approach:

- Arbitrary scheduling changes that have cost the state about \$250,000 in unnecessary overtime and other costs in the past year.
- A fare system that discourages travel.
- A reservation system that doesn't work.
- The decision to close revenue-generating bars on the ferries.
- A top-heavy administration marked by an increase in staff in the Juneau central office, from 17 to 160 workers since 1977.

More than 25 people filled the Legislative Information Office in Ketchikan for the teleconference. Thirteen people testified in the hour-long hearing, 11

See 'Ferry authority,' page A-3

FEB-21-97 FRI 15:24
FEB-21-97 FRI 3:08 PM
SEN TAYLOR
KETCHIKAN L10

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P. 01
P. 4

(3)

Ferry authority

from Ketchikan and eight of those AMHS employees. Most spoke in support of the bill or some other form of management for the ferry system. Taylor said those testifying would not be held in luxury way for doing so.

Toni Moore of Ketchikan, second mate on the vessel Taku, said the arbitrary schedule changes cost the system credibility as well as money.

"The traveling public are used to and deserve stability," he said.

Under the administration of former system director Jim Ayers, workers received pep talks and "atta boys" for their work. Since then, however, every directive has been negative, said Moore.

"The shape of the ferry system is a direct reflection of upper management," he said.

Ed Mackabeffel, chief purser on the Taku and 30-year AMHS employee, says the system's zone scheduling has discouraged travel. During one day in mid-June, a normally heavy traffic time, the Taku brought only 38 passengers and 12 vehicles into Juneau.

Meanwhile, two motor home owners

about to board in Prince Rupert instead opted to drive an extra 480 miles and take the Alaska-Canada Highway because they didn't want to wait the two-day layover in Juneau to catch the next ferry to Haines.

The Inland Boatman's Union of the Pacific has remained neutral on SB 21 yet agrees extraordinary efforts will be needed to resolve existing problems, said Left Jenkinson of Ketchikan, a 13-year dockhand on the ferries and now an IBU business agent.

The ferry system has too long been steered by DOT road and airport engineers and needs input from maritime-experienced workers, he said.

Ketchikan Indian Corp. Council President Stephanie Rainwater presented a resolution in support of SB 21 from KIC. Rainwater has worked for AMHS since 1987 and is a second steward.

She faulted the administration for asking an IBU Labor Advisory Board for suggestions on how to cut costs, and then rejecting those suggestions.

"What would make labor members ever cooperate with this management

again," she said.

John Ritterbach, senior assistant purser on the Matanuska, said he supports the bill to replace the existing management which is "hoop: at best."

"Imagine what real management ... not afraid to listen to its employees ... can do," he said.

Canada's ferry system, in comparison, is more user-friendly, cheaper and more efficient, he said.

Every other Alaska transportation business is up in revenues but the marine highway, said Eric Gucker, a steward for more than nine years.

Gucker said he hauls thousands of empty beer bottles out of state rooms now that the ferry bars are closed. The system is losing valuable revenue there, and also suffers because there is no experienced bartender on board to regulate drinkers, he said.

Gucker also said Prince of Wales Island's efforts to establish an alternat-

Continued from page A-1

ive system, due to poor state service, are now in direct competition for the money for hard-link roads Commissioner Perkins wants "so bad" for other parts of the state.

Those roads, however, don't produce revenue, said Gucker.

Former Ketchikan Daily News Publisher Lew Williams Jr. said a better way of management is needed for the system, whether it is SB 21 or another means.

He stressed the need for continuity in ferry administration and urged timely action in resolving labor-management problems. Labor contracts are up for renewal in 1999 and 1998 is an election year. Labor-management issues would be best resolved now, rather than risk being prolonged if a new system director were to be named, he said.

FEB-21-97 FRI 15:24

FEB-21-97 FRI 3:08 PM

SEN TAYLOR
KETCHIKAN L10

FAX NO. 9074653922
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P. 02
P. 5

Ketchikan Daily News
2/18/87

Task force seeks management ch

JUNEAU (AP) — A state Senate panel has recommended management changes in Alaska's ferry system to correct problems that include slow and inaccurate methods to take reservations.

The recommendation comes from the Senate Task Force on the Alaska Marine Highway System, which prepared an inch-thick report on the operations of the eight state ferries that serve southern Alaska.

Besides reservation problems, the panel's report mentions complaints about poor scheduling on arrivals and departures and the shutdown of bars aboard the vessels.

The task force recommended switching the

marine highway system, now an agency in the state Transportation Department, to a more independent ferry authority that could make more decisions on its own.

The panel is presenting its findings to the Senate Transportation Committee on Tuesday. The committee also is reviewing a bill sponsored by the task force's chairman, Sen. Robin Taylor, R-Wrangell, that would create an appointed board of directors to hire and oversee ferry management.

Taylor said few top management staff at the ferry system have maritime experience and the department would be better run if its staff had more background in marine transportation.

'Current management practices have resulted in a growing lack of confidence in the Alaska Marine Highway System on the part of elected officials and the general public they represent.'

—Senate task force's report

anges in ferry system

Running the ferry by a quasi-independent authority was the only recommendation the task force made. Other task force members included Anchorage Republican Sen. Drue Pearce and Kaslof Republican Sen. John Torgerson.

"Current management practices have resulted in a growing lack of confidence in the Alaska Marine Highway System on the part of elected officials and the general public they represent," the report concluded.

Taylor also claims management at the ferry system is top-heavy at the expense of shipboard staff. Much of the testimony during three public hearings the task force held focused on ferry personnel complaints about closure of bars on

the ships and lack of interest by management in employee suggestions to improve service.

The Knowles administration opposes creation of a marine highway authority.

"We just don't see the need for another layer of bureaucracy," said Bob King, spokesman for Gov. Tony Knowles.

King also said ferry system director Gary Hayden is working with communities on problems such as scheduling.

In a written response to the task force, Hayden said the ferry system's reservation system has problems with speed, accuracy, security and cost, but that the state is putting together a new system.

9072558546 P. 2
FAX NO. 9072558546
KETCHIKAN LIO
907-18-97 TUE 10:10 AM

BAR REPORT

As far as I'm concerned there is absolutely no reason other than ignorance or lack of ability and knowledge within the realm of mixology and alcoholic beverage for the closure's of the bar's and lounges of the Alaska State ferry's. Let Me lease just the one on any of the ships and I'll not only make a profit but I'll make enough to lease another within a year.

Now this may sound like a lot of bravado, but I have had many years of bar and restaurant management experience. This is all in My files with the Alaska Marine Highway System and though I tried to impute some of My experience with the powers that be, I was told We have been doing it this way for thirty years and this is what you'll do and this is the way you'll do it. As I really like My job and also need it, I followed their lead.

Now if you, the task force can show Me a single person that works in the J.C.O that has any experience in the past as a professional Bartender or bar Manager and many OF the Chief Stewards as well as Second Stewards have never tended Bar themselves so what do We have here other than the blind leading the blind leading the blind. I'm not saying they are not trying but when you lack experience, they work on the basis of "IF IT DON'T LOOK BROKEN DON'T TRY TO FIX IT" and that is just one reason the bars are closed

Other than that there are several reasons that this has happened, among them is thirty years of lack of foresight. Why didn't they thirty years ago build a warehouse to store these products in . By warehousing they could have purchased in large quantities at a savings big enough to pay for the warehouse several times over. Any Bar Owner with any sense at all knows that by purchasing in quantity such a five cases instead of one will result either in greater discounts on price or an additional two extra bottles per case to increase His profits. The Marine Highway has always

purchased individually for each vessel, one case for this one case or half case for that one sometimes received in Bellingham or Prince Rupert or Juneau, paying a different price in each port with Juneau being the most expensive. Not having a lot of space for storage on the vessels some of the call liquors that are not often requested but more or less required to operate a bar, are ordered just two bottles at a time and usually purchased at a liquor store when needed. Beer comes aboard usually at ten cases for popular brands and five for secondary brands sometimes in Bellingham or Juneau and the difference in cost will astound you. Alaskan beer is not a popular beer and thus should only be sold in bottles as it is an Alaskan product it should be carried but not in draft as it is very expensive and profits would improve greatly from a cheaper draft that is by market analysis more popular with the drinking public. Proper purchasing techniques and product storage in a convenient location to all the vessels is a must if the Bars are to reopen.

I don't care which local Bar you want to go into, you will find there are what they call "well" liquors and "call liquors". Well liquors are usually the cheaper brands for unconcerned drinkers that are not particular about the quality of what they drink. Call liquors are always the better versions of the well drinks for those who have more articulate palates and appreciate the age as well as the smoother taste of the beverage. Other call liquors are usually the sweeter after dinner variety that are mostly combined with hard liquors or with a variety of other spirits to create the special of their choice. I DON'T BELIEVE THAT ANYONE AT J.C.O. KNOWS THE DIFFERENCE BETWEEN THE TWO. The well drinks served on the ferry's are usually some of the finest to be found anywhere such as "SMIRNOFF" for vodka, "JIM BEAM" for bourbon, "CUTTY SARK OR JOHNNY WALKER BLACK" FOR SCOTCH, "TANGUERAY" for gin, "BACARDI" for rum and "CANADIAN CLUB" for booze. These are all call brands that would sell for at least \$1.50 to \$2.00 per ounce more than regular well prices. I have paid as much as \$5.50 an ounce for Johnny Walker Black Lable on the rocks /w.

No mix in Seattle and \$3.25 on the ferry's is a hell of a bargain. It's also why the bars are closed for lack of profit. All of the call liquors on the ferry's are under priced to the extent that We were the cheapest bars in Alaska for the drinking public. If the Bars were to re-open I would suggest that someone with experience and knowledge of bar management be put in charge and drastic changes made in the stocking and pricing of acholic beverages.

Next I come to a subject I really do not want to approach but it must be included as a direct result of bar closing. Finding an honest Bartender is actually harder than finding an honest Politician .Most if not all bar owners know that bartenders steal and this is written into the wages they pay and the prices they charge and why most work their own place and hire Managers to supervise their employees. "WELL YOU SAY IT CAN'T HAPPEN ON THE FERRY'S BECAUSE WE WEIGH ALL THE BOTTLES AND ACCOUNT FOR EVERY OUNCE" If you believe that I have a bridge in Juneau I'd like to sell. The reports that are sent into J.C.O. is only what the Chief Steward wants them to see and none from the office has ever come out to verify the veracity of any of them. At \$1.00 per cup of coffee/w one refill there are probably twenty, ten cup pots plus made a day in the bar yet only about thirty dollars a week appears on the register readings so where did the money go. Coffee is not monitored nor are any of the sodas (coke, seven up etc,) that are served to the public and very little of that \$1.00 per drink ever shows up on the register and if it does it is married into the total cash report to cover the loss of alcohol served during the week.

In their infinite wisdom the office has installed new registers that are tied into the computers in the gift shops and cafe's but figuring that the Bars would never re-open, did not run cable to those areas and I believe that this would take a yard time to accomplish. The reasoning behind these registers is to keep a more accurate account of what is being sold and when as well as to cut down on theft by the operators as they can't

operate with open drawers or without indicating a sale or no sale (to make change), Too many no sale's appearing on the computerized readout by one individual would create suspicion and could conceivably cut down on theft or at least I think that is their reasoning. I basically think that most cashiers are honest but there is more than one person that sets in as relief's and whether the office bothers to scan and analyze the computerized printouts to establish what is sold, when and what is most popular according to price that is another question. The idea is excellent and at least the Chief Stewards can't phony up the reports.

Now back to the original program. "Bartenders". Most of our regular bartenders have worked as such on the beach but many of our so called relief's have never poured a drink professionally before coming aboard. When a regular is on vacation or sick leave a replacement is sent and as J.C.O. doesn't seem to know who can or can't tend bar, many have never been behind a bar nor do they have "TAMS CARDS" which makes it illegal for them to even try but out here it's any port in a storm and they're not going to close the bar over a little thing like that.

BUMMER.

SOME CHIEF'S AND SECONDS DO NOT HAVE TAMS CARDS and shouldn't be able to legally supervise the bar or bartender.

The main problem with relief's and the point system is that when forced to upgrade an employee to a vacant position, most will accept the job as bartender whether they have ever done it before or not as 1- they want to learn (They should go to a school) 2- the wages are higher (They should still go to school) and 3- the tips are an extra incentive. But 1- they shouldn't be allowed to learn on company time, 2 They cost the state more money than they make through inexperience and 3- unhappy customers with incompetent bartenders DON'T TIP.

Speaking about tips and the new regulation about not accepting tips is not a good law. If the State is going to venture into the realm of the

service industry and restaurant-bar service it should maintain itself as any shore based enterprise where people expressly work for that purpose. Allowing waiters and bartenders to accept tips increases the desire to do the best job possible in a friendly and positive attitude. I think it is discrimination to dis-allow employee's on the ferry's from accepting tips that the entire industry is noted for simply because they work for the state. It also alleviates the need for theft.

I don't believe that closing the bars on the ferry's were a result of lack of profit but more to the fact that lack of Management, Knowledge, Foresight and a genuine desire to make it work were the culprits.

If the bars were to re-open under professional supervision I am positive that it could be and would be a more than profitable enterprise for the State and would not only make a hell of a lot of passengers happy but would prevent Me from selling the "B.Y.O.B TEE SHIRTS" I have planned but would also prevent a lot of the new problems We are faced with from passengers that are now bringing their own supply.

There is much more I could touch on but this should give you an idea as to what was wrong and why it failed.

Raymond L. Caldwell Sr.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. CSSB 21 (TRA)

Revision Date: 3/17/97 Dept. Affected: DOT/PF
 Title: An Act . . . establishing AMHS Authority and BRU: Office of the Commissioner
relating to maintenance of state marine vessels Component: Commissioner's Office
 Sponsor: Senators Robin Taylor, Pearce
 Requester: Senate Transportation COMPONENT SERIAL NO. 530

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES		35.0	40.0	45.0	50.0	55.0
TRAVEL	75.2	121.7	93.0	93.0	93.0	93.0
CONTRACTUAL	451.5	451.5	451.5	451.5	451.5	451.5
SUPPLIES						
EQUIPMENT		300.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	526.7	908.2	584.5	589.5	594.5	599.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	526.7	908.2	584.5	589.5	594.5	599.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	526.7	908.2	584.5	589.5	594.5	599.5

Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by: Gary L. Hayden, System Director Phone: 465-3959
 Division: Alaska Marine Highway System Date: 2/20/97
 Approved by: *[Signature]* Date: 3/17/97
 Requester: for Joseph L. Perkins, Commissioner
 Agency: Department of Transportation and Public Facilities

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The following assumptions were used:

- (1) On or after 1/1/98, authority directors appointed will begin meetings. Assume 50 business days of meetings during first year of operations, dropping to 30 business days of meetings thereafter.
- (2) Travel and per diem expenses calculated based on 4 of 6 appointed directors traveling to Juneau from Seattle, Ketchikan, Seward and Anchorage. Travel and per diem expenses calculated using existing airfares, lodging and meal allowances; no inflationary increases included.
- (3) Assumes chief executive officer annual compensation at \$150,000 per year (pay and benefits) beginning 7/1/98, with annual increases of \$5.0 thousand per annum thereafter. FY99 expenses are less existing director's personal services costs.
- (4) Assumes requirement of accounting, payroll, revenue and other data management software and hardware to assist the authority in developing business efficient systems and reports not currently available on existing mainframe systems.
- (5) Assumes necessity of leased office space at 1.91 per square foot for 19,700 sq.ft (currently is provided free of charge to AMHS). This is based on current space utilization for Juneau based employees.

This does not include any costs associated with employment of consultants or advisors, which might be contracted by the authority. It does not include any costs that may be associated with performing vessel maintenance repair in Alaska as provided in Section 21. It does not include any warehouse costs which must be absorbed 7/1/99 (est. @ \$60.0 thousand per annum).

The Senate Transportation Committee substitute language regarding the interport differential (Section 22 (c)(d)) potentially will have a cost to the system. However, an estimate is not attempted here.

The recent AIEDA report estimated the cost to perform work on the vessels in Ketchikan was on average 20 per cent higher. Using their 20 per cent, the system could face at a minimum an additional \$500.0 thousand annually.

The implications of Section 22 (c) (d) are with competitive bids on an FHWA funded project, it will increase costs that AMHS will not be able to receive reimbursement for under the federal project. The department's policy and procedure for calculating interport differential already includes items which are not eligible for reimbursement, i.e. per diem during the project. The language in this committee substitute would further increase that amount. These would include

employee wages during the voyage, since you would have to prove the wages would not have been paid but for the project. This is impossible to support given crew minimum guarantees. This case can be made when taking the vessel beyond California, such as with the Taku going to Mobile, Alabama. The other items are prorated maintenance and consumables cost. The department's policy and procedure on interport differential and how it has been applied has been reviewed by Legislative Audit. An audit was performed on two (2) past vessels projects and found that in both cases the interport differential was above the actual cost.

FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. SB21

Revision Date: _____ Dept. Affected: DOT/PF
 Title: An Act . . . establishing Alaks Marine Highway System Authority BRU: Office of the Commissioner
 Component: Commissioner's Office
 Sponsor: Senators Robin Taylor, Pearce
 Requester: _____ COMPONENT SERIAL NO. 530

Expenditures/Revenues (Thousands of Dollars)

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PERSONAL SERVICES		35.0	40.0	45.0	50.0	55.0
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MISCELLANEOUS						
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CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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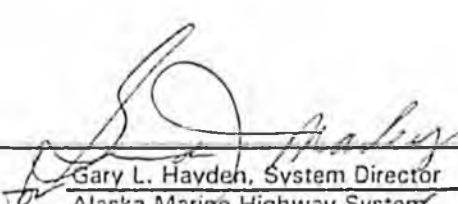
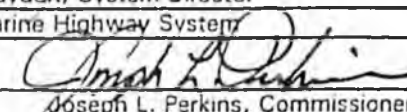
Estimate of any current year (FY97) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHED

Prepared by:  Gary L. Hayden, System Director
 Division: Alaska Marine Highway System
 Approved by:  Joseph L. Perkins, Commissioner
 Agency: Department of Transportation and Public Facilities

Phone: 465-3959
 Date: 2/20/97
 Date: 2/20/97

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- (3) Assumes chief executive officer annual compensation at \$150,000 per year (pay and benefits) beginning 7/1/98, with annual increases of \$5.0 thousand per annum thereafter. FY99 expenses are less existing director's personal services costs at \$118,000 (pay and benefits)
- (4) Assumes requirement of accounting, payroll, revenue and other data management software and hardware to assist the authority in developing business efficient systems and reports not currently available on existing mainframe systems.
- (5) Assumes necessity of leased office space at 1.91 per square foot for 19,700 sq.ft (currently is provided free of charge to AMHS). This is based on current space utilization for Juneau based employees.

This does not include any costs associated with employment of consultants or advisors, which might be contracted by the authority. It does not include any costs that may be associated with performing vessel maintenance repair in Alaska as provided in Section 21. It does not include any warehouse costs which must be absorbed 7/1/99 (est. @ \$60.0 thousand per annum).

SB 21/HB 88

ALASKA MARINE HIGHWAY AUTHORITY

COMMENTS BY
COMMISSIONER JOE PERKINS, DOT&PF
MARCH 6, 1997

I. THE AUTHORITY CREATES MORE PROBLEMS THAN IT SOLVES.

A. SB 21 DIMINISHES PUBLIC ACCOUNTABILITY.

UNDER THE PRESENT SYSTEM, THE MARINE HIGHWAY SYSTEM MANAGEMENT IS ACCOUNTABLE TO THE PUBLIC. CONCERNS AND REQUESTS ARE RESPONDED TO, QUICKLY AND COMPLETELY. THEY HAVE TO BE. ELECTED OFFICIALS ARE RESPONSIBLE FOR THE MANAGEMENT OF THE MARINE HIGHWAY, AND ELECTED OFFICIALS HAVE TO BE RESPONSIVE TO THE PUBLIC THEY SERVE. SOMETIMES THAT IS TIME-CONSUMING AND CUMBERSOME, BUT IT IS THE MOST RESPONSIBLE WAY TO HANDLE THE PEOPLE'S BUSINESS. THE ESTABLISHMENT OF AN AUTHORITY WILL DIMINISH THE PUBLIC ACCOUNTABILITY OF MARINE HIGHWAY MANAGEMENT BY INSERTING AN APPOINTED BOARD BETWEEN MANAGEMENT AND THE PEOPLE. MARINE HIGHWAY MANAGEMENT WILL NO LONGER WORK DIRECTLY FOR THE ELECTED GOVERNOR OR FOR ANY OTHER ELECTED REPRESENTATIVES. MANAGEMENT DECISIONS WILL BE MADE BY THE BOARD, AND NOT THE GOVERNOR NOR THE LEGISLATURE. ONCE APPOINTED, BOARD MEMBERS WILL NOT BE ACCOUNTABLE TO THE PUBLIC. A BOARD MEMBER MAY BE REMOVED ONLY FOR CAUSE. THE ACCOUNTABILITY OF MARINE HIGHWAY MANAGEMENT TO THE COMMUNITIES THEY SERVE WILL BE SUBSTANTIALLY REDUCED. WE BELIEVE THIS IS NOT DESIRABLE.

B. SB 21 LESSENS PUBLIC INFLUENCE ON DECISION MAKING.

ALASKAN'S NOW KNOW WHO IS IN CHARGE OF THE MARINE HIGHWAY SYSTEM. WHEN THINGS ARE RUNNING WELL, THEY KNOW WHO TO COMPLIMENT. WHEN THINGS AREN'T GOING SO WELL, THEY KNOW WHO TO BLAME. THIS BILL WILL CHANGE ALL OF THAT. WHEN ACCOUNTABILITY OF ELECTED OFFICIALS CHANGES, PUBLIC ACCESS TO THE DECISION MAKING PROCESS ALSO CHANGES. ALTHOUGH A PERSON OR COMMUNITY MAY STILL ASK THE EXECUTIVE DIRECTOR OR BOARD OF DIRECTORS OF THE SYSTEM FOR A SCHEDULE CHANGE OR SPECIAL RUN, THERE MAY BE LITTLE OR NO PRESSURE TO RESPOND. THE MANAGER IS INSULATED FROM THE EFFECT OF PUBLIC PRESSURE. WE BELIEVE ALASKANS APPRECIATE DIRECT ACCESS TO THE PUBLIC SYSTEMS THAT MOST AFFECT THEIR LIVES, AND THIS BILL WILL HAVE A SUBSTANTIAL NEGATIVE IMPACT ON THAT ACCESS.

II. THE ALASKA MARINE HIGHWAY SYSTEM IS NOT BROKEN.

A. (UNRELENTING) NEGATIVE CRITICISM IS DESTRUCTIVE.

THERE IS A LOT THAT IS RIGHT ABOUT THE MARINE HIGHWAY SYSTEM. THE SHIPS HAVE A FINE SAFETY RECORD, GENERALLY RUN ON TIME, AND PROVIDE SIMPLE, ECONOMICAL, COMFORTABLE AND RELIABLE TRANSPORTATION SERVICE TO THE TRAVELING PUBLIC. THE STATE'S ECONOMY RECEIVES APPROXIMATELY \$170 MILLION IN BENEFITS PER YEAR FROM OPERATION OF THE SYSTEM. OF COURSE SOME MISTAKES ARE MADE. THEY ARE INEVITABLE IN AN OPERATION THAT IS AS VULNERABLE TO AS MANY VARIABLES AS IS THE MARINE HIGHWAY SYSTEM. IT IS A SYSTEM THAT HAS A LARGE AND VARIED CONSTITUENCY, AND EVERYBODY HAS AN OPINION AS TO WHAT SHOULD BE DONE AND HOW IT SHOULD BE OPERATED. BUT OVERALL, THE SYSTEM IS DOING WHAT IT WAS DESIGNED TO DO - TRANSPORTING PEOPLE IN SOUTHEAST

AND SOUTHWEST IN THE CONTEXT OF AN INTERMODAL TRANSPORTATION NETWORK.

PAST LEGISLATURES HAVE DETERMINED THAT THE MARINE HIGHWAY SYSTEM IS AN ESSENTIAL PART OF THE STATE TRANSPORTATION SYSTEM THAT WARRANTS CONTINUED AND PREDICTABLE STATE SUPPORT. MANY COMMUNITIES' ECONOMIES ARE DEPENDENT ON ITS STEADINESS AND STABILITY, AND THE STATE'S TOURISM INDUSTRY IS GREATLY ENHANCED BY THE SYSTEM. THOSE ADVANTAGES ARE EVIDENT WHEN THE WHOLE STORY OF THE SYSTEM IS TOLD. BUT WHEN ONLY THE MISTAKES AND DIFFICULTIES ARE DISCUSSED, WHEN ONLY THE NEGATIVES ARE EMPHASIZED, WHEN LEGISLATIVE FUNDING LEVELS ARE REDUCED EACH YEAR AND WHEN THE FUTURE OF THE SYSTEM IS UNDER SIEGE, THOSE ADVANTAGES ARE NOT RECOGNIZED. THE PERCEPTION OF AN INSECURE FUTURE BECOMES A REALITY FOR EMPLOYEES WHOSE LIVES ARE INTRICATELY WOVEN INTO THE SYSTEM'S FUTURE. THE PERCEPTION OF A SHRINKING SYSTEM IS A SOURCE OF CONSIDERABLE ANXIETY FOR COMMUNITIES AND ALASKAN'S WHOSE ECONOMIES AND WAY OF LIFE HAVE BECOME PARTIALLY DEPENDENT ON THE REGULAR ARRIVAL OF THE SHIPS. THE PERCEIVED UNWILLINGNESS OF THE LEGISLATURE TO COMMIT SUFFICIENT STATE RESOURCES TO INSURE AN ADEQUATE FUTURE FOR THE SYSTEM, CANNOT HELP BUT UNDERCUT MORALE, PERFORMANCE, AND HOPE OF THE EMPLOYEES AND THOSE WE SERVE. THIS HAS HAPPENED AND IT IS SAD.

B. SB 21 IS A BAD IDEA.

THE BILL SETS UP A LAYER OF ADMINISTRATION OVER WHICH NEITHER THE GOVERNOR NOR THE LEGISLATURE WILL HAVE CONTROL. WE BELIEVE THAT IS BAD PUBLIC POLICY. BUT EVEN WORSE, IT DOESN'T FIX ANYTHING. THERE IS NOTHING IN THE BILL THAT ENCOURAGES STABILITY OR FINANCIAL SUPPORT BY THE LEGISLATURE. THERE IS NOTHING IN THE BILL THAT ADDRESSES THE INCREASING CAPITAL NEEDS OF AN AGING FLEET.

IF THERE ARE MAJOR PROBLEMS AT MARINE HIGHWAYS, THEY CAN BE HANDLED. ONE OF THE BIGGEST PROBLEMS THAT YOU CAN HELP RELIEVE IS THE TIME AND ENERGY THAT NOW IS BEING SPENT CONTROLLING THE DAMAGE CAUSED BY ANXIETY OVER THE FUTURE. THAT IS A PROBLEM THAT YOU CAN MATERIALLY AFFECT, BY TELLING THE WHOLE STORY OF THIS VERY SUCCESSFUL STATE ADVENTURE, BY DEMONSTRATING YOUR SUPPORT FOR ITS FUTURE AND HELPING US FIX THE PROBLEMS. THE SYSTEM IS 35 YEARS OLD, THE SHIPS ARE AGING, THE SYSTEM IS RUNNING THE SAME TYPE OF SERVICE TODAY IT DID 35 YEARS AGO - IN 1976 SITKA WAS PROVIDED WITH 268 TRIPS AND IN 1996 THE NUMBER WAS 311. TODAY WE ARE RESPONDING TO THE CHALLENGES OF SHRINKING FUNDING AND INCREASING REGULATORY DEMANDS. THE EMPLOYEES WHO YOU HEARD FROM IN THE LAST HEARING ARE EXPERIENCING THE IMPACTS OF THESE DYNAMICS. PEOPLE ARE BEING AFFECTED AND JOBS ARE BEING IMPACTED. HOWEVER, I BELIEVE A FIRM FOUNDATION IS BEING LAID FOR FUTURE STATEWIDE TRANSPORTATION SERVICES TO INCLUDE THE ESSENTIAL MARINE HIGHWAY SYSTEM. COSTS ARE BEING CONTAINED, VESSELS ARE BEING UPGRADED, THE SERVICES ARE BEING USED. IN FACT, WE ARE NOW EXAMINING, WITH THE SOUTHEAST ALASKA MAYORS, THE MARINE HIGHWAY EMPLOYEES AND THE LEGISLATURE THE

POTENTIAL TO DRAMATICALLY CHANGE THE WAY THE SYSTEM IS OPERATED AND TO OFFER IMPROVED AND EXPANDED SERVICE. WE NEED YOUR SUPPORT.

II. AN AUTHORITY WILL BE FURTHER ISOLATED FROM CAPITAL FUNDS.

THE MARINE HIGHWAY SYSTEM IS PRESENTLY MANAGED BY DOT/PF AS AN INTEGRAL PART OF ALASKA'S INTERMODAL TRANSPORTATION SYSTEM. THE MAJORITY OF THE ROUTES HAVE BEEN DESIGNATED BY CONGRESS AS PART OF THE NATIONAL HIGHWAY SYSTEM. AS AN OPERATING ARM OF THE DEPARTMENT, THE SYSTEM RECEIVES FEDERAL HIGHWAY AID FUNDS FROM THE DEPARTMENT. BY SEPARATING THE SYSTEM FROM DOT/PF, AS AN AUTHORITY, OPERATING INDEPENDENTLY FROM THE REST OF THE DEPARTMENT, THE DEBATE FOR FUNDING THE MARINE HIGHWAY SYSTEM CAPITAL IMPROVEMENTS COULD CONCEIVABLY SHIFT MORE TOWARD THE LEGISLATURE FOR RESOLUTION. WE WILL FORCE THE MARINE HIGHWAY SYSTEM TO COMPETE MORE AGGRESSIVELY WITH, INDIVIDUAL COMMUNITIES THROUGHOUT THE STATE, OTHER DOT/PF REGIONS, AND OTHER AGENCIES FOR ITS SHARE OF FEDERAL HIGHWAY FUNDS, RATHER THAN SHARING THEM AS ONE COMPONENT OF ALASKA'S INTERMODAL TRANSPORTATION SYSTEM.

WHILE THE COMMISSIONER OF DOT/PF WOULD SERVE ON THE BOARD OF DIRECTORS OF THIS NEW AUTHORITY, IT IS UNREALISTIC TO THINK THAT AN ORGANIZATIONAL COMPONENT WHICH IS SEPARATE FROM THE REST OF THE AGENCY -- AND FOR WHICH THE COMMISSIONER NO LONGER HAS PRIMARY RESPONSIBILITY -- WILL RECEIVE THE SAME LEVEL OF CONSIDERATION FOR FEDERAL HIGHWAY FUNDS AS IT RECEIVES AS A LINE AGENCY WITHIN THE DEPARTMENT.

III. THE AUTHORITY PROVIDES NO MECHANISM OR VEHICLES TO REDUCE
SUBSIDIES.

ALTHOUGH NOT EXPRESSLY STATED IN THE PROPOSED LEGISLATION, AN IMPLICIT PURPOSE FOR AN AUTHORITY IS APPARENTLY TO INSULATE THE MARINE HIGHWAY SYSTEM FROM INEXPERIENCED MANAGERS APPOINTED THROUGH THE POLITICAL PATRONAGE PROCESS. IT SHOULD BE NOTED, WE HAVE 16 EMPLOYEES WITH OVER 290 YEARS OF MARITIME EXPERIENCE WHO ARE WORKING IN THE ADMINISTRATION AND MANAGEMENT OF THE SYSTEM; DEDICATED, EXPERIENCED EMPLOYEES. AS ALREADY NOTED, SUCH INSULATION ALSO ISOLATES THE SYSTEM FROM DIRECT ACCOUNTABILITY FROM THE PUBLIC. THIS MIGHT BE ACCEPTABLE IF THE AUTHORITY WAS ESTABLISHED TO RUN THE SYSTEM AS A BUSINESS, DESIGNED TO BE SELF-SUPPORTING THROUGH REVENUES. HOWEVER, THIS IS NOT THE CASE.

THE MARINE HIGHWAY SYSTEM PRESENTLY DERIVES ABOUT 60% OF ITS OPERATING FUNDS FROM REVENUES, WITH THE REMAINING 40% OF ITS OPERATING BUDGET APPROPRIATED FROM THE GENERAL FUND BY THE LEGISLATURE. NOTHING IN THIS PROPOSED LEGISLATION IS DIRECTED TOWARD CHANGING THAT FUNDING RELATIONSHIP. THE PROPOSED AUTHORITY IS NOT DESIGNED TO BE SELF-SUFFICIENT. IT WILL CONTINUE TO REQUIRE ANNUAL LEGISLATIVE APPROPRIATIONS FOR OPERATIONS AND CAPITAL IMPROVEMENTS. WHAT THEN IS THE JUSTIFICATION FOR ESTABLISHING IT AS A STATE CORPORATION? AN AUTHORITY WILL REQUIRE ADDITIONAL SUBSIDY TO FUND ITS INCREASED OVERHEAD COSTS.

IV. ADMINISTRATIVE COSTS ARE LIKELY TO INCREASE.

THE MARINE HIGHWAY SYSTEM IS ALREADY AND UNFAIRLY CRITICIZED FOR THE LARGE SIZE OF ITS CENTRAL OFFICE STAFF. HOWEVER, IF THE MARINE HIGHWAY SYSTEM IS SPLIT FROM THE REST OF DOT/PF INTO AN QUASI-INDEPENDENT AUTHORITY, IT WILL LOSE THE ADMINISTRATIVE SUPPORT PRESENTLY PROVIDED BY THE DEPARTMENT AND ADMINISTRATIVE COSTS FOR AMHS WILL CERTAINLY INCREASE. PERSONNEL AND ACCOUNTING SERVICES WHICH ARE NOW PROVIDED IN PART BY HEADQUARTERS WOULD FALL ENTIRELY ON THE AUTHORITY. SO WOULD ENGINEERING SERVICES NOW BEING PROVIDED BY SOUTHEAST REGION. THE SYSTEM WOULD BE FURTHER REMOVED FROM THE FEDERAL HIGHWAY ADMINISTRATION. THE RELATIONS WITH DOT&PF AND FHWA WOULD BE COMPLICATED SINCE CFR TITLE 23 FOR THE ADMINISTRATION OF FEDERAL HIGHWAY FUNDING PROGRAMS IS THE RESPONSIBILITY OF THE STATE HIGHWAY AGENCY DOT&PF.

SEPARATE ACCOUNTING AND DATA PROCESSING SYSTEMS WILL ALMOST CERTAINLY BE NECESSARY. THE AUTHORITY WILL NOT BE EXEMPT FROM THE EXECUTIVE BUDGET ACT, STATE PROCUREMENT CODE AND OTHER STATE MANDATED RULES AND REGULATIONS.

V. AN AUTHORITY WILL NOT SOLVE THE SYSTEM'S HIGH LABOR COSTS.

LABOR AGREEMENTS FOR MARINE HIGHWAY SYSTEM EMPLOYEES ARE CURRENTLY NEGOTIATED AND ADMINISTERED AS A PART OF THE STATE'S OVERALL LABOR RELATIONS PROGRAM. ALTHOUGH VESSEL EMPLOYEES WERE TEN (10) YEARS AHEAD OF THEIR SHORESIDE PEERS IN COLLECTIVE BARGAINING,

ECONOMIC SETTLEMENTS IN THE LAST TWO (2) DECADES HAVE BEEN REASONABLY UNIFORM AND CONSISTENT FOR ALL STATE EMPLOYEE GROUPS.

AS PROPOSED, ALL EMPLOYEES OF THE AUTHORITY WOULD BE PLACED INTO THE EXEMPT SERVICE BUT REMAIN SUBJECT TO THE TERMS OF EXISTING LABOR AGREEMENTS UNTIL THEIR EXPIRATIONS. THE AUTHORITY IS THEN AUTHORIZED TO NEGOTIATE NEW LABOR AGREEMENTS, ALTHOUGH IT IS SOMEWHAT UNCLEAR WHETHER OR NOT THE TERMS OF THOSE AGREEMENTS MUST BE CONSISTENT WITH THOSE OF OTHER EXECUTIVE BRANCH EMPLOYEES. SINCE THE AUTHORITY'S EMPLOYEES WILL BE IN THE EXEMPT SERVICE, THEY ARE PROHIBITED BY BARGAINING REGULATIONS FROM REMAINING IN THE SAME CLASSIFIED EMPLOYEE BARGAINING UNITS FROM WHICH THEY CAME. THIS MEANS ADDING AT LEAST FOUR (4) MORE BARGAINING UNITS AND CONTRACTS FOR JUST AUTHORITY STAFF (GENERAL GOVERNMENT, SUPERVISORY, CONFIDENTIAL, AND LABOR, TRADES & CRAFTS).

SOME OF THESE UNITS WOULD BE COMPOSED OF ONLY A HANDFUL OF EMPLOYEES, BUT EACH SMALL GROUP HAS THE SAME RIGHTS TO NEGOTIATE AS LARGER EMPLOYEE GROUPS. EACH REQUIRES THE AUTHORITY'S RESOURCES TO NEGOTIATE NEW CONTRACTS, AND EACH HAS THE RIGHT TO ENGAGE IN A STRIKE IF THOSE NEGOTIATIONS FAIL. THE ECONOMIC LEVERAGE WHICH COULD BE EXERTED BY THESE SMALL GROUPS OF EMPLOYEES WOULD BE CONSIDERABLE. EACH HAS THE POTENTIAL TO SHUT THE SYSTEM DOWN IN THE EVENT AN IMPASSE IN CONTRACT NEGOTIATIONS RESULT IN A STRIKE

SMALL BARGAINING UNITS CAN BE PROBLEMATIC FOR JUST THESE REASONS. EVERY SMALL GROUP REQUIRES A LARGE EXPENDITURE OF LABOR RELATIONS RESOURCES, AND EACH HAS LEVERAGE OUT OF PROPORTION TO ITS SIZE. THERE IS NO REASON TO BELIEVE THAT AN AUTHORITY HAS ANY GREATER ABILITY TO NEGOTIATE REASONABLE CONTRACTS. IF ANYTHING, THE REVERSE IS TRUE.

VI. SUMMARY

ALASKA'S LONG-TERM HISTORICAL EXPERIENCE WITH CREATING AND OPERATING AUTHORITIES AND PUBLIC CORPORATIONS HAS NOT BEEN ENTIRELY POSITIVE. CONSIDER THE ALASKA POWER AUTHORITY, OF WHICH I WAS A MEMBER. AT THE TIME OF ITS CREATION, THE APA WAS BILLED AS THE ANSWER TO ALASKA'S NEED FOR CHEAP AND ABUNDANT ENERGY. VISIONS WERE FOR HYDROELECTRIC AND OTHER POWER PROJECTS THROUGHOUT THE STATE, WITH MODERN, POWER GRIDS SERVING THE MAJORITY OF ALASKA. AFTER NUMEROUS LEGISLATIVE CHANGES TO THE AUTHORITY OVER SEVERAL YEARS, IT WAS FINALLY CLOSED DOWN BY THE LEGISLATURE AS AN OPERATIONAL AGENCY. THE ALASKA RAILROAD CORPORATION IS ANOTHER EXAMPLE. IT WAS FORMED BY THE LEGISLATURE JUST OVER A DECADE AGO. TODAY, THE LEGISLATURE IS CONSIDERING RESTRICTING THE OPERATIONS OR POTENTIALLY SELLING THAT CORPORATION. COULD THESE EXAMPLES BE APPLICABLE TO A MARINE HIGHWAY AUTHORITY? THE ANSWER IS YES AS THIS LEGISLATURE CANNOT BIND FUTURE LEGISLATIVE ACTIONS.

THE PROPOSED AUTHORITY WOULD BE A MOVE IN THE WRONG DIRECTION AS FAR AS TRANSPORTATION IN ALASKA IS CONCERNED. SIX (6) YEARS AGO, CONGRESS INITIATED MAJOR CHANGES IN THE NATIONAL TRANSPORTATION INDUSTRY WITH THE ENACTMENT OF THE INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991 (ISTEA). "INTERMODAL" IS THE "I" IN ISTEA. THE SIMPLE GENIUS OF ISTEA IS ITS PREMISE THAT TRANSPORTATION CHOICES CANNOT BE EFFICIENTLY OR ECONOMICALLY MADE IN ISOLATION FROM ONE ANOTHER. THIS CONCEPT IS CALLED INTERMODALISM.

A DECISION TO INVEST MORE PUBLIC MONEY IN ROADS, OR IN AIRPORTS, OR IN FERRY VESSELS, REQUIRES A BALANCING OF PUBLIC POLICY ISSUES THAT CANNOT BE COMPLETELY BALANCED IF ONE TRANSPORTATION MODE IS SOMEHOW TREATED DIFFERENTLY. NATIONALLY, THE TREND IS TO BRING MODES TOGETHER TO PROVIDE MORE EFFICIENT TRANSPORTATION SYSTEMS. AS I TRAVEL TO OTHER STATES AND DISCUSS ISSUES WITH MY PEERS, IT IS CLEAR THAT INTERMODALISM IS NOT A PASSING FAD. IT IS HERE TO STAY BECAUSE IT JUST MAKES SENSE. ISTEA WILL BE REAUTHORIZED THIS YEAR BY CONGRESS AS ISTEA II.

WE ALL RECOGNIZE THAT THE MARINE HIGHWAY SYSTEM CANNOT CONTINUE TO OPERATE AS IF IT WERE STILL THE 1960'S. TIMES HAVE CHANGED, AND THE NEEDS OF ALASKA'S COMMUNITIES AND THE TRAVELING PUBLIC HAVE CHANGED, THE TRANSPORTATION NETWORK ALONG ALASKA'S COASTLINE HAS CHANGED. THE CHANGES NEEDED IN THE MARINE HIGHWAY SYSTEM MAY BE DRAMATIC. HOWEVER, SB 21 TAKES US IN THE WRONG DIRECTION. WITH THE HELP OF THE LEGISLATURE, WE NEED TO WORK TO INSURE THAT THE MARINE HIGHWAY SYSTEM TRULY FUNCTIONS AS AN INTEGRAL ELEMENT IN A WELL-

DESIGNED STATEWIDE TRANSPORTATION SYSTEM. THIS ADMINISTRATION WILL CHANGE AND IMPROVE THE SYSTEM BUT THESE CHANGES MUST BE WELL THOUGHT OUT AND HAVE THE SUPPORT OF THE PEOPLE OF ALASKA. THIS TAKES TIME AND THE WORST ACTION WE CAN TAKE NOW IS TO MAKE CHANGES SUCH AS THIS BILL DOES WITHOUT THOUGHTFUL AND DELIBERATE CONSIDERATIONS OF ITS SHORT AND LONG TERM CONSEQUENCES.

POM

State Senator # Senate Transportation Committee
to: Robin Taylor

Thanks for the teleconference.
I was told I wouldn't be able to
speak & so didn't have any notes.
~~and~~ I forgot something important.
I'm sending a copy of summer ferry
schedule, please note, after our
input last fall the summer schedule
still has the Malaspina bypassing
Wrangell Southbound. This is not
right or necessary. There is time
in the Malaspina schedule with
the Prince Rupert turnaround for
the stop in Wrangell. The terminals
can post a revised schedule showing
the Malaspina stopping at Wrangell
on appropriate days. Also, that Taku
bypass of Petersburg was a bad thing
and they could have had the Taku stop
even (office) after you called them about it.

Testimony provided
to the Senate Transportation
Committee on SB 21 -
AK Marine Highway
Authority

Stan Hoyt

P.O. Box 828
Petersburg

TOTAL P. 05

(Feb 18, 1997)

JULY 1997 SOUTHBOUND - INSIDE PASSAGE/SOUTHEAST ALASKA

LEAVE SEASIDE	ARRIVE	JANUARY ARRIVE	WONAN	TRAIL	BARROW	ALASKA GULF	SEASIDE	WONAN	TRAIL	BARROW	ALASKA GULF	SEASIDE	WONAN	TRAIL	BARROW	ALASKA GULF	SEASIDE	WONAN	TRAIL	BARROW	ALASKA GULF	
M30 10:45A	M30 1:15P	M30 7:45P																				
T1 4:45A	T1 8:00A	T1 1:00P																				
W2 9:15A	W2 11:45A	W2 10:45P	TH3 3:00A																			
T3 9:45P	T3 11:45P	T3 5:15A																				
TH3 4:00P	TH3 7:30P	F4 2:30A																				
TH3 11:55P	TH3 11:55P	F4 5:00A																				
F4 3:30P	F4 5:30P	F4 11:00P																				
SS 7:30P	SS 10:00P	F4 3:45P	F4 8:00P	F4 11:55P	SS 3:15A	SS 8:00A	SS 7:50P	SUB 12:15A	SUB 4:00A													
SUB 7:00P	SUB 10:00P	SUB 3:30P	Ar. Pelican	SUB 12:30P				SUB 12:30P	SUB 4:30P													
M7 11:00A	M7 1:30P	SUB 11:55P																				
T8 3:15A	T8 6:15A	M7 7:00P	M7 3:15A	M7 7:15A	M7 10:30A	M7 3:30P		T8 3:30A														
W9 1:45P	W9 4:15P	T8 12:15P																				
TH9 11:15A	TH9 2:45P	T8 1:45A																				
F11 12:45A	F11 4:30P	TH10 3:00A	TH10 7:15A																			
S12 6:15P	S12 8:45P	W9 7:00A																				
M14 8:30P	M14 12:30P	TH10 11:15P																				
W16 7:45A	W16 10:15A	F11 5:45A																				
T15 3:15A	T15 6:45A	F11 8:00A																				
TH17 10:45P	TH17 1:00P	S12 4:00A																				
F18 4:30A	F18 8:30P	S12 2:45A																				
S19 8:30P	S19 10:30P	SUB13 10:15A	SUB13 2:10P	SUB13 8:30P	SUB13 9:45P	M14 2:45A		SUB13 12:30A	SUB13 5:15A	SUB13 9:00A												
S19 5:45P	S19 8:15P	M14 1:30A																				
SUB20 8:30P	SUB20 12:30P	M14 3:00P																				
M21 12:30P	M21 3:00P	W16 7:45A																				
T22 2:45A	T22 6:15A	T15 3:15A																				
W23 1:00P	W23 3:30P	F15 3:15A																				
T24 10:15P	T24 12:45A	TH17 4:30P																				
TH24 12:45P	TH24 4:15P	F18 1:00A																				
TH24 11:00P	TH24 1:00P	F18 9:30A																				
F25 2:15P	F25 4:15P	S19 4:00A																				
S26 6:15P	S26 8:45P	F25 9:45P																				
SUB27 7:30P	SUB27 10:00P	F25 2:00P																				
M28 11:00A	M28 1:30P	SUB27 10:15A	SUB27 2:10P	SUB27 8:30P	SUB27 9:45P	F26 2:45A		SUB27 11:00A	SUB27 2:00P													
T29 3:15A	T29 6:45A	M28 17:30A																				
W30 7:30A	W30 10:00A	M28 7:00P																				
T29 9:15P	T29 11:45P	T29 1:55P																				
TH31 1:15P	TH31 4:45P	T29 12:30A																				
TH31 11:15P	TH31 11:15P	F1 1:15A																				
		F1 4:15A																				

SEE MV AURORA SCHEDULE BELOW

SEE MV AURORA SCHEDULE BELOW

SEE MV AURORA SCHEDULE BELOW

ALL TIMES ARE LOCAL TIMES

MV AURORA SOUTHERN PANHANDLE SUMMER 1997 EFFECTIVE JUNE 1 - SEPTEMBER 10

<p>SAT</p> <p>Ar Metakata 7:30AM Lv Metakata 8:15AM Ar Ketchikan 8:30AM Lv Ketchikan 10:30AM Ar Hollis 1:15PM Lv Hollis 2:15PM Ar Ketchikan 5:00PM Lv Ketchikan 6:45PM Ar Metakata 8:00PM Lv Metakata 9:45PM Ar Ketchikan 10:00PM Lv Ketchikan 11:00PM</p> <p>SUN</p> <p>Ar Hollis 1:45AM</p>	<p style="text-align: center;">LOGGING SHOW & FAIR June 26-27 - Hollis (Thomas Bay)</p> <p>SAT</p> <p>Lv Ketchikan 8:15AM Ar Hollis 8:00AM Lv Hollis 10:00AM Ar Ketchikan 12:45PM Lv Ketchikan 1:45PM Ar Hollis 4:30PM Lv Hollis 6:00PM Ar Ketchikan 8:45PM Lv Ketchikan 9:30PM Ar Metakata 10:45PM Lv Metakata 11:30PM</p> <p>SUN</p> <p>Ar Ketchikan 12:45AM</p>	<p style="text-align: center;">*STEWART/HYDER TRIPS</p> <p style="text-align: center;">TUESDAY - JUL 1, 15, 29</p> <p>MON</p> <p>Lv Hollis 10:00PM Ar Ketchikan 12:45AM Lv Ketchikan 1:45AM Ar Hyder 1:00PM Lv Hyder 3:45PM</p> <p>WED</p> <p>Ar Ketchikan 1:30AM Lv Ketchikan 2:30AM Ar Hollis 5:15AM</p>
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TELECOPY COVER SHEET
Ketchikan Legislative Information Office
Office - (907) 225-9675 Fax - (907) 225-8546

TO: Senate Transportation Committee
ATTN: Lydia FAX: 465-3766 PHONE: _____
FROM: June PHONE: _____
INSTRUCTIONS: Testimony for TC 70274, SB 21

SENT: Date 2/18/97 Time 4:30 pm
DISPOSAL OF ORIGINAL: Discard _____ Hold for Pickup _____
NUMBER OF PAGES: 14 (NOT counting cover sheet)
TRANSMITTED BY: [Signature]

Andrea Barkley
P.O. Box 1037
Ward Cove, Alaska 99928

To: All State of Alaska Representatives and Senators

Please enter this letter into the legal record on the subject of
The A.M.H.S. Bar Closures:

Until September of 1996, I had been a bartender on AMHS vessels for over 18 years. Over those many years, I have witnessed a huge variety of events. Mostly, I have seen foreigners from one end of the planet meet locals from the opposite end of the planet. Without fail, the one (and sometimes only) thing all these people had in common was Alaska.

The bars on the ferries were, in reality, traveling public relations centers for our state. Thousands upon thousands of recommendations, observations, and experiences were exchanged. Restaurants, camp sites, hotels, events, points of interest were endorsed or rejected. Guidance was given on everything from A): 'Which road to take', to Z): 'How to best enjoy the Alaskan experience'. The one thing everyone could, and did talk about was our state; the beauty of it, the unusual people who populated it, how it remains one of the most unique, pristine environments left in our country if not on our earth.

Bars on the ferries were a place for exchange; the exchange of ideas, the exchange of money. Over the years, I was only one of many bartenders who participated in the revenue intake of untold hundreds of thousands, if not millions, of dollars for our state. AMHS vessels were paid for in full years ago by public bonds. This reality, along with several other unique factors, allowed the State to possess and profit from a previously unheard-of remarkable business opportunity. The State sold this product in a low overhead-cost environment, enjoyed the singular privilege of purchasing the cheapest liquor in the state through duty-free Canadian Sea-stores, and had the extraordinary opportunity of benefitting from a monopoly of sales of this service to a captive audience; literally hundreds of thousands of people who could not go "across the street" for their next drink.

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Read into testimony, at the KTA Telecon-
ference Feb 18, 1997

TO: THE ALASKAN STATE SENATE, TRANSPORTATION COMMITTEE

FEBURARY 18, 1997

FROM: ANDREA BARKLEY
BOX 1037
WARD COVE, AK. 99928

I WAS A BARTENDER ON THE ALASKA MARINE HIGHWAY SYSTEM FOR 18 YEARS, UNTIL I WAS PUT OUT OF MY JOB WHEN THE BARS WERE CLOSED IN SEPTEMBER OF 1996.

WHEN I SPEAK ABOUT THE BAR CLOSURE ON THE FERRY SYSTEM, I MUST ADDRESS IT AS "THE BIG LIE". I'M SORRY TO HAVE TO PUT IT TO YOU IN SUCH A DIRECT WAY, BUT AT THIS POINT, I FEEL IT TRULY IS IMPORTANT TO TELL THE TRUTH ABOUT WHAT REALLY HAPPENED.

"THE BIG LIE" WAS THAT THE BAR CLOSURE WAS ABOUT LOSS OF REVENUE. THIS WAS NEVER TRUE; THE BAR CLOSURE WAS NEVER ABOUT REVENUE LOSSES AT ALL. THE REASON WE KNOW THIS IS BECAUSE OF 3 FACTS:

- 1) THE LE CONTE BAR WAS CLOSED RIGHT IN THE HEIGHT OF THE SUMMER SEASON; JUNE 1ST. THE "EMPLOYEE POSITION SAVINGS" THE STATE SAID THEY MUST HAVE WAS NEVER GAINED, BECAUSE THAT EMPLOYEE WAS SIMPLY MOVED OVER TO ANOTHER JOB ON THE SAME SHIP, SAME CREW. NO "EMPLOYEE COSTS" WERE SAVED; ONLY REVENUE LOST.
- 2) DIRECTOR GARY HAYDEN TOLD THE IBU THAT IF SOLUTIONS COULD BE FOUND TO OFFER THE SAME COST-SAVINGS THE STATE WAS SEEKING, THE DECISION TO CLOSE THE BARS WOULD BE RE-CONSIDERED. THE IBU THEN ENTERED INTO EXTENSIVE LABOR/MANAGEMENT MEETINGS WHICH OFFERED MANY SUGGESTIONS ON HOW TO INCREASE REVENUE IN THE BARS. ALL WERE BASICALLY NO-COST ITEMS, AND ALL SUGGESTIONS WERE IGNORED. ON THE MATANUSKA, THE CREWS WENT AHEAD AND IMPLEMENTED THESE SUGGESTIONS, WITHOUT MANAGEMENT DIRECTION. CONSEQUENTLY, THE MATANUSKA IMMEDIATELY BEGAN BRINGING MORE REVENUE INTO THE BARS. JUNEAU CENTRAL OFFICE, HOWEVER, WAS NOT INTERESTED IN OUR EFFORTS OR IMPROVEMENTS. THEY SIMPLY DID NOT WANT TO HEAR IT.

TOP 10 3-196 2-10 1W RESEARCH DIV. TAG NO. 207-100010 2. 4

3) THE STATE ANNOUNCED THAT THE BAR ON THE COLUMBIA DID MAKE MONEY, AND THEREFORE WOULD NOT BE CLOSING. THEN, AS SOON AS THE BARS ON THE OTHER VESSELS WERE CLOSED, THE BAR HOURS ON THE COLUMBIA WERE CUT FROM 12 HOURS OF OPERATION A DAY TO 6 HOURS OF OPERATION. NOW, WHAT BUSINESS MAN IN HIS RIGHT MIND WHO'S REALLY WORRIED ABOUT LOSING MONEY CLOSES DOWN HIS ONLY PROFITABLE BUSINESS VENTURE FOR HALF OF ITS' OPERATING HOURS?

TODAY, THERE IS NO ONE HERE THAT CAN TELL ALL OF YOU WHAT THE TRUE "HIDDEN AGENDA" REALLY WAS BEHIND THE BAR CLOSURES ON THE FERRY SYSTEM. YOU WILL HAVE TO ASK THAT QUESTION DIRECTLY IN THE GOVERNOR'S OFFICE IF YOU REALLY WISH TO KNOW.

BUT, BECAUSE OF THESE THREE FACTS, WE NOW KNOW THAT "LOSS OF REVENUE" WAS NEVER THE TRUE REASON BEHIND THE CLOSURE OF THE BARS. IT WAS "THE BIG LIE". IT WAS THE "RED HERRING" WE WERE MENT TO CHASE INTO THE BLIND ALLEY.

PLEASE DON'T MAKE THE SAME MISTAKE ON THIS SUBJECT THAT THE IBU MADE; PLEASE DON'T WASTE YOUR OWN PRECIOUS TIME CHASING THE RED-HERRING.

THE CITIZENS AND VOTERS AND ALASKAN VISITORS WANT THE COCKTAIL SERVICES ON THE ALASKA MARINE HIGHWAY VESSELS OPENED AGAIN. HUNDREDS OF PASSENGERS HAVE SENT IN COMMENT CARDS DIRECTING THAT TO HAPPEN. NINE PEOPLE WROTE IN TO SAY THEY WERE GLAD THE BARS WERE CLOSED. 668 PEOPLE, (AND MORE COMING IN ALL THE TIME), WANT THE BARS OPENED. NINE DO NOT. THE ADMINISTRATION OF AMHS IS FLATLY REFUSING A MANDATE OF THE PEOPLE. THIS IS WRONG; AMERICAN GOVERNMENT WAS DESIGNED TO SERVE THE WILL OF THE PEOPLE. THE LAST TIME I LOOKED, THE BILL OF RIGHTS WAS STILL IN EFFECT.

IT IS MY PERSONAL STRONGLY HELD BELIEF THAT IF SENATE BILL #21 DOES NOT PASS THIS LEGISLATIVE SESSION, THE ALASKA MARINE HIGHWAY SYSTEM WILL NOT SURVIVE; OUR SOUTHEASTERN AND SOUTHWESTERN WATER ROADWAY WILL DRY-UP, EVAPORATE, AND VANISH.

I URGE YOU, AS REPRESENTATIVES OF THE PEOPLE OF ALASKA, TO PLEASE SUPPORT AND PASS SENATE BILL #21.

THANK YOU,

(4)

1. An economic analysis of the various options is being prepared. This analysis is considering the costs and revenues of each option. After a preliminary analysis of several options, AMHS is focusing on the three most viable alternatives:
 - a. Redeploy the Malaspina to the Beilignam route and run the new vessel out of Prince Rupert.
 - b. Redeploy the Malaspina to North Lynn Canal and operate it as a day boat.
 - c. Replace the Malaspina with the new vessel operating out of Prince Rupert.
2. Negotiations with the three marine labor unions will focus on contractual changes to allow AMHS to operate a vessel in a "day boat" status. The current labor contracts are built around a twenty-four hour day, seven days a week operation. Running the Malaspina as a day boat in North Lynn Canal is one of the options.
3. The condition of the vessel is being updated. Before a decision is made, the capital costs must be considered. Capital funded projects are needed on the vessel to meet current regulations, to upgrade passenger accommodations, to repair various fixtures to maintain operational status, and to provide a safe healthy environment for work and passenger travel. Asbestos and regulatory compliance are probably the two factors of immediate concern.
4. Public participation will also be a key step in the decision process. The issue and all the facts will be presented to the people of Southeast.

OCV Operating Considerations

The current draft plan for deployment of the new vessel includes summer service in Southeast Alaska, service in Southwest Alaska when the M/V Tustumena is off line for overhauls and repairs, and pioneering a cross-gulf service. The vessel will also be used as an emergency command center as needed during a natural disaster or oil spill.

Bar Closure Comments

Since June, the AMHS has received 1,680 passenger comment forms. Of those forms remaining on the bar closure, 668 wrote in favor of keeping the bars and 9 comments favored the closure. The number of passenger comment forms received is slightly skewed because several ships sent in multiple unsigned forms, all in the same handwriting. Many respondents were more concerned with the potential lack of an area to smoke or to escape children than with the absence of alcohol. Letters and calls have run approximately 40% for closing, and 60% for staying open.

Shore Support

The perception that shore support has grown and vessel positions have been deleted and/or impacted by seasonal layoffs is not supported with historical numbers. The perception persists due to a number of reorganizations and a shift in where employees were budgeted, i.e., Department of Transportation & Public Facilities and, over the last few years, AMHS, that have distorted the real picture.

Submitted by Andrea Barkley 2/18/97
 Letter from AMHS Director Gary Hayden to Sen. Robin Taylor dated Nov 24, 1996
 Senate Transportation Committee
 (5)

DRAFT

AMHS FOOD COST CONTAINMENT PLAN AMENDMENT

DRAFT

Responsible person: Mike Young/Joe Ver

Start date: Mid October 1996 or November 1, 1996, after the plan is presented at a Chief Stewards meeting tentatively scheduled for either the first or second week of October 1997.

Completion date: June 30, 1997

Estimated reduction: \$100,000.00

Plan:

This amendment is in addition to the plan submitted by Mike Young during the week of August 15, 1996.

Soda pop and candy which are both sold in vending machines on AMHS vessels are currently purchased from Alaskan vendors but not on a contract basis. In FY 96 AMHS purchased approximately \$62,000.00 in both soda pop (\$40,000) and candy (\$22,000). By placing both of these commodities out for bid, AMHS may be able to reduce the purchasing costs for both commodities from two to ten percent. This would be based on more than two vendors showing interest in bidding for these commodities. *2. starches when going into effort*

A proposed draft four (4) week menu plan for lunch and dinner was submitted to the current members of the labor-management food committee (see attached). This 4 week menu cycle is based on entrees currently served on AMHS vessels and low-fat/vegetarian recipes from the *Healthwise Quantity Cookbook*. The low-fat/vegetarian recipes are included in this menu cycle based on comments from both the crew and passengers requesting more healthy entrees.

The 4 week menu cycle needs to be incorporated with the lunch service plan initially developed by the labor-management food committee and needs to also include more galley crew input from the other vessels. The proposed 4 week menu cycle is flexible so that the number of entrees, vegetables, starches can be added or subtracted especially for the dinner menu.

What a (4 week) menu cycle accomplishes is a planned lunch and dinner menu for all AMHS vessels. The Chief Cook and Storekeeper will be able to keep usage figure records on different entree items. Both the Chief Cook and Storekeeper will be able to reduce storeroom inventory because they will only keep the raw food ingredients in storage that are needed for a particular week's menu.

Both the passengers and the crew will be served the same menu items. Recipes will become standardized and based on quantities for 25, 50, 75, 100 etc. Usage records (soup, entrees, starches, vegetables, fast food fare etc. will assist the Chief Cook as to how much to prepare during the next menu cycle. These also will be based on the time of the year, the number of passengers traveling, youth groups traveling etc. The menu cycle is set up so that leftovers from

Submitting only one page out of a total of five.

Feb 18, 1997

Alaska Cabaret, Hotel, Restaurant and Retailers Association

A Resolution

Relating to the Inlandboatman's Union

Be it resolved by the Alaska Cabaret, Hotel, Restaurant and Retailers Association:

WHEREAS the Alaska Cabaret, Hotel, Restaurant and Retailers Association supports any services which develop tourism on the Alaska Marine Highway System.

WHEREAS any cuts in services on the Alaska Marine Highway System negatively impacts tourism industry development in Alaska.

WHEREAS the closure of alcohol service bars will encourage increased alcohol consumption in unauthorized areas of the ships.

WHEREAS the closure of alcohol beverage service bars reduces valuable jobs on the Alaska Marine Highway System.

WHEREAS introduction of gaming on the Alaska Marine Highway System would increase revenue for the Alaska Marine Highway System.

BE IT RESOLVED that the Alaska Cabaret, Hotel, Restaurant and Retailers encourages all hospitality industry individuals and groups to support all services which encourage tourism development on the Alaska Marine Highway System.

adopted by CHARR

END

(7)

Alaska State Legislature

Please enter into the record my testimony to the SENATE TRANSPORTATION COMMITTEE
(committee name)
committee on SB-21 bill/subject, dated 2/

I neglected to mention that I'm also representing
the Ketchikan Chamber of Commerce Transportation
Committee regarding AMHS matters.

Robin — please ask Joe to keep me
appraised and up dated.

I'll request the Chamber to pass a resolution
in support of SB 21 soonest!

Signed:

BOB PICKRELL

Phone: (907) 247-2490

Testifier:
KETCHIKAN CHAMBER OF COMMERCE TRANSPORTATION COMMITTEE

Representing (Optional)
8339 SONG HARBOR LANE, KETCHIKAN, AK 99801
Address

Fax transmitted from Ketchikan Legislative Information Office
Phone: 225-9675 Fax: 225-8546

(5)

Alaska State Legislature

Please enter into the record my testimony to the Senate Transportation
(committee name)
committee on SB # 21 dated _____
bill/subject:

see attached

Signed:

Leif Johnson Phone: 907-225-6360
Testifier
Ina and David Lewis Yvon
Representing (Optional)
P.O. Box 6755, Ketchikan, AK 99901
Address

Fax transmitted from Ketchikan Legislative Information Office
Phone: 225-9675 Fax: 225-8546

(9)

From: Leif Jenkinson, Patrolman
I.B.U.-P. Ketchikan
P.O. Box 6300
Ketchikan, AK 99901

18 Feb. 1997

To: Senate Task Force, SB #21

Dear Task Force:

The Inlandboatmen's Union of the Pacific, while representing over 80% of the Fleet workers, has remained neutral on the subject of Senator Taylor's bill. We would, however, like to point out several factors for your consideration.

First, the present problems within A.M.H.S. are so long standing and so severe, that we believe it will take extraordinary efforts to solve them. We do not see that happening from within the present organization. Considering the years unsuccessfully spent trying to change the administrative structure of the A.M.H.S., and the resistance of the present Director and Commissioner to meaningful change, it is time to do something drastic.

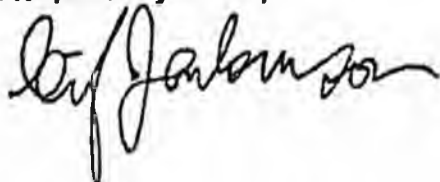
Second, We believe that the Administration is wrong when they claim that creating a Marine Authority will create another layer of bureaucracy. A.M.H.S. is already a top-heavy bureaucracy. It is judged possible, but by no means certain, that an Authority might actually reduce the bureaucracy.

Third, Mr. Perkins has stated to the Operating Fleet that it would be counterproductive to have the A.M.H.S. "competing" for dollars with the other statewide transportation needs. Currently, A.M.H.S. can't compete because those who make the ultimate decisions are all road and airport engineers and builders. It is felt by some that an Authority might have a chance to level the playing field for Marine Transportation. There are good people working in A.M.H.S.'s J.C.O., but they are not apparently making the decisions.

We believe that the present A.M.H.S. fleet could be running at or beyond capacity nearly full year, bringing in a much higher percentage of its operating costs and providing much more satisfactory service, encouraging expansion of the fleet and of the economies not only of SE and SW Alaska, but of Central Alaska. Whether an Authority would accomplish this is yet to be seen. We merely note here that we believe something drastic must be done if we are to preserve the infrastructure and the economies of SE, SW, and even Central Alaska.

While I have not gone into great detail, or presented examples, I understand that the Task Force has an entire File Cabinet full. Let me assure you, that is only the beginning.

Respectfully Yours,



(10)

K
J
C

Ketchikan Indian Corporation
(Tribal Council)

429 DEERMOUNT AVENUE
KETCHIKAN, ALASKA 99801
(907) 225-5158
FAX (907) 247-0429

RESOLUTION: KIC 97-09

TITLE: **SUPPORT OF SENATE BILL NO. 21: "An Act relating to ferries and ferry terminals, establishing the Alaska Marine Highway Authority, and relating to maintenance of state marine vessels; and providing for an effective date."**

BY: **KETCHIKAN INDIAN CORPORATION TRIBAL COUNCIL**

WHEREAS, the Ketchikan Indian Corporation is a federally recognized Tribal government pursuant to the Indian Reorganization Act (IRA) of 1936 as amended; and

WHEREAS, the Ketchikan Indian Corporation Tribal Council is the representative Tribal government of the Ketchikan Indian Corporation, a sovereign, federally recognized IRA Tribe whose membership resides in the Ketchikan area; and

WHEREAS, the health, education, and welfare of its membership is of paramount importance to the well being of the Ketchikan Indian Corporation; and

WHEREAS, the Ketchikan Indian Corporation understands that the majority of communities in Southeast Alaska are dependent on the Alaska Marine Highway System; and

WHEREAS, The Ketchikan Indian Corporation and its membership are affected by the effective and efficient operation of the Alaska Marine Highway System as stated in Section 19.55.120. **Duties of authority.** The authority shall

- (1) assist the residents, businesses, and communities of the state in obtaining optimal marine passenger and freight service;
- (2) schedule vessel sailings to optimize the frequency of service to all ports;
- (3) encourage and integrate with other public and private carriers to the greatest extent possible to provide ferry service within the state and between Alaska ports and ports outside the state in order to provide optimum service within the state;
- (4) provide reservation access and marketing information throughout the state;
- (5) encourage vessel construction, maintenance, and service in the state to the greatest extent possible;
- (6) employ residents of the state to the greatest extent legally possible;

(11)

Resolution KIC 97-09

Page 2

(7) recognize Alaska unions and employee associations to the greatest extent legally possible.

SO THEREFORE BE IT RESOLVED, that the Ketchikan Indian Corporation hereby supports Senate Bill No. 21.

CERTIFICATION

The foregoing resolution was adopted at a duly convened meeting of the Ketchikan Indian Corporation Tribal Council, assembled this 5th day of February, 1997, at the Ketchikan Indian Corporation, 429 Deermount Avenue, Ketchikan, Alaska 99901, by a vote of 7 FOR, 0 AGAINST, and 0 ABSTAINING.

Stephanie D. Rainwater

Stephanie D. Rainwater, President

2-6-97

Date

ATTESTED:

Gerald E. Hope

Gerald E. Hope, Secretary

2/6/97

Date

cc: Southeast Alaska IRA's
ANB/ANS Grand Camp
Alaska Inter-Tribal Council
Alaska Native Claims Settlement Act (ANSCA)
Other Village & Urban Corporations in SE Alaska

(2)

PAGE 1

Alaska State Legislature

Please enter into the record my testimony to the _____
committee on Uncontrolled liquor & Smoking (committee name), dated 7-18-97
bill/subject

MY NAME IS MARY E CANNAN, I AM
THE HEAD ROOM STEWARD ABOARD MV/MALASANA
"B" CREW. I HAVE WORKED THIS JOB ABOARD SEVERAL
SHIPS DURING THE PAST 5 YEAR. MY DUTIES
INCLUDE THE CARE & CLEANING OF STATEROOMS ABOARD
SHIP. NO MATTER HOW MUCH CLEANING IS DONE TO
THE ROOMS ABOARD SHIP, THE LACK OF REPAIR TO THESE ROOMS MAKES
THEM LOOK LIKE A LOW CLASS \$25 A NIGHT FREE DRY MOTOR ROOM
I PATCH WALLPAPER, PAINT, SHAMOO CARPETS & FIX AS MUCH AS I
CAN MANY TIMES OUT OF MY OWN POCKET BECAUSE I HAVE A HARD
TIME SEEING PASSENGERS CHARGED PREMIUM RATES FOR THOSE ROOMS.
SINCE THE BARR CLASSED WE HAVE HAD MORE DAMAGE TO THE
ROOMS & TIME TAKEN TO CLEAN THEM DUE TO THE HIGHER LEVEL OF
ALCOHOL BROUGHT ON BOARD BY PASSENGERS. 12 MEN GOT ON IN HAIRES
WITH 6 CS OF BARR & WHEN WE DOCKED IN KTN. THEY BOUGHT 4 MORE CASES TO
GET THEM TO TUCKER TO BELLINGHAM. WE NOW HAVE NO LIQUOR CONTROL

Signed: Mary E Cannan Phone: 225-6769
 Testifier: Jean
 Representing (Optional)
BOY 800V KTN, AK 99901
 Address

Fax transmitted from Ketchikan Legislative Information Office
 Phone: 225-9675 Fax: 225-8546

Continued on Next
 PAGE

13

100 10 3 102 7-01 10 1000000 100
FORM NO. 30 1000000
5. 17

Alaska State Legislature

Page (2)

Please enter into the record my testimony to the _____
(committee name)
committee on _____, dated _____
bill/subject:

THE LACK OF LIQUOR CONTROL HAS BROUGHT ON MORE CASES OF
DOMESTIC VIOLENCE & FIGHTS BETWEEN PASSENGERS THAN EVER BEFORE.

THE BAR CLOSURES ALSO HAS PRESENTED ONE OTHER PROBLEM.
OUR SMOKING PASSENGERS DO NOT HAVE A SAFE PLACE TO
SMOKE, ESPECIALLY IN THE WINTER. HOW MUCH MONEY
WILL YOU BE SAVING WHEN A SMOKER SUES THE
STATE BECAUSE HE FELL OFF ON THE DECKS OUTSIDE
BECAUSE THE DECKS ARE FROZEN THE SHIPS ARE ROCKING
AND HE COULDN'T SMOKE INSIDE OUT OF THE COLD.

I AM NOT A SMOKER MYSELF HOWEVER I FEEL THAT
WE NEED TO PROVIDE SAFE AREAS FOR THOSE WE
SERVE. WE LOST THE GERMAN TOUR GROUPS DUE TO THE BAR
CLOSURE AND THE LACK OF SMOKING ^{AREAS} THANK YOU FOR LISTENING

Signed: Mary C Phone: _____
Testifier: _____

Representing (Optional) _____
Address _____

Fax transmitted from Ketchikan Legislative Information Office
Phone: 225-9675 Fax: 225-8546

(14)

STATEMENT FOR TRANSPORTATION
COMMITTEE HEARING

Ketchikan, Ak 3/6/97

John Ritterbach P.O. Box 9420 Ktn, 99901 (907)225-9459

Ladies and Gentlemen, my name is John Ritterbach and I am a Purser aboard the M/V Matanuska. I testified before this committee on February 18, 1997 and today I listened in Ketchikan as Mr. Perkins testified before you in Juneau.

I am appalled.

I would like to respond briefly to Mr. Perkins remarks. First, I believe that you should consider who is speaking for the Alaska Marine Highway. Where is Mr. Hayden? Is he not the director? I believe that a very large part of the problem here is that AMHS is being managed by "remote control" from the Commissioners' office.

Mr. Perkins states that we don't need Marine Authority because management under a Marine Authority would not be accountable to the public. He says that the Marine Highway now provides what it was designed for... "Safe, on-time, economical travel for the residents of Southeast Alaska."

I disagree. Mr. Perkins is out of touch with what the Marine Highway was designed to do, and it is he that wants to "Tinker" with the system. The Alaska Marine Highway is here to provide service to all Alaskans, not just Southeast Alaska. The price increases have discouraged ridership for families and older Alaskans. If not for Basketball teams, Military families traveling north and south, and an ever shrinking Elderhostel (higher prices) groups, we would have just a handful of passengers left.

Mr. Perkins makes reference to how the Marine Authority would have trouble getting Federal funding, and how Alaska is better served by having the Commissioners' office with that power.

I disagree. I believe that you should consider who is making that statement. Read between the line here. Who wants control here? Mr. Perkins makes my argument for me. I believe that he is worried that he would not longer be able to control Federal funds he now controls. Just take a look at the communities in southeast that want to form their own authority and obtain Federal funds. If they want more service, why not provide that service? Why isn't AMHS going after those funds? The answer my "lie" in what and where the Commissioner wants to fund.

Mr. Perkins sites 16 employees in the Juneau Central Office as having Maritime experience.

Again, Mr. Perkins makes my point for me. Only 16 employees in the Juneau Central Office with Maritime experience out of 150! And time and again the few employees that do have experience are ignored by upper management.

Alaska State Legislature

Please enter into the record my testimony to the TRANSPORTATION ~~COMMISSION~~
 (committee name)
 committee on SB21, dated 3-6-97,
 bill/subject:

TODAY'S TELECONFERENCE WAS DISSAPPOINTING TO ME.
2 WEEKS AGO I TESTIFIED BEFORE YOU FROM KETCHIKAN
VIA TELECONFERENCE. PERHAPS I WAS MISTAKEN IN EXPECTING
THE AMHS DIRECTOR GARY HAYDEN TO BE PRESENT TODAY,
AND FOR COMMISSIONER PERKINS TO RESPOND TO MULTIPLE
TESTIMONIES CITING MISMANAGEMENT OF AMHS BY THE
CURRENT ADMINISTRATION. SEN. TAYLOR QUESTIONED PERKINS
DECISION TO CLOSE BARS ON THE FERRIES, BUT SHOULD HAVE
QUESTIONED MANY MORE PERTINENT ISSUES INCLUDING
(BUT NOT LIMITED TO) PROBLEMS WITH SCHEDULING,
PRICES CHARGED FOR FERRY TICKETS, INEFFECTIVE RESERVATION
SYSTEM, INCOMPITENT & TOP-HEAVY MANAGEMENT AT JCO,
AND WHAT IS CURRENTLY BEING DONE TO CUT COSTS AND
ENCOURAGE REVENUE GENERATION. PLEASE CALL PERKINS
AND HAYDEN TO TASK. GOV. KNOWLES MADE A MISTAKE!

Signed:

Eric J. Inutan
 Testifier

Phone: (907) 247-6666

Representing (Optional)

PO BOX 8073 KETCHIKAN 99801

Address

Fax transmitted from Ketchikan Legislative Information Office
 Phone: 225-9675 Fax: 225-8546

Alaska State Legislature

Please enter into the record my testimony to the TRANSPORTATION
committee on S.B. 21 (committee name) dated 3-6-97
bill/subject:

THE FACT AMHS DIRECTOR HAYDEN DID NOT SHOW UP FOR THIS HEARING SHOWS BLATENT LACK OF CONCERN FOR ONGOING AMHS PROBLEMS AND EFFORTS TO SOLVE SOME OF THEM. ALSO COMMISSIONER PERKINS COMMENTS ABOUT HOW A FERRY AUTHORITY WOULD WEAKEN CONCERN + RESPONSIVENESS TO PUBLIC CONCERNS BY THE APPOINTED OFFICIALS IS LAUGHABLE. PERKINS + HAYDEN, OUR PRESENT AMHS APPOINTED OFFICIALS SHOW LITTLE OR NO CONCERN FOR AMHS PROBLEMS, FAIL TO SEE THEIR OWN ROLE IN THE FERRY SYSTEM'S DEMISE, DUE IN PART BY THEIR OWN UNRESPONSIVE -
- NESS. PERKINS CLAIMS "ELECTED OFFICIALS HAVE TO BE RESPONSIBLE TO THE PUBLIC THEY SERVE" YET THEY SHOW NO ACCOUNTABILITY FOR MAJOR AMHS PROBLEMS + PUBLICLY PASS THE BUCK AS TO THE BLAME

Signed: Robert L Glenn Phone: 225-4231
Testifier

Representing (Optional)
PO BOX 9115, KETCHIKAN, AK. 99901
Address

Fax transmitted from Ketchikan Legislative Information Office
Phone: 225-9675 Fax: 225-8546

Alaska State Legislature

Please enter into the record my testimony to the TRANSPORTATION
(committee name)
 committee on AMHS PROBLEMS + SOLUTIONS, dated 3-6-97.
bill/subject:

I WOULD GREATLY APPRECIATE YOUR ATTENTION
IN REGARDS TO SOME PROBLEMS FACING OUR
MARINE HIGHWAY, AND HOPE YOU WILL CONSIDER
WHAT I BELIEVE ARE SOME MAJOR PROBLEMS:
SCHEDULING OF SHIPS; RESERVATION SYSTEM;
PRICES OF GOODS AMHS PURCHASES; CONTRACT
NEGOTIATIONS; GENERATION OF REVENUE; AND
THE LIST GOES ON. AS A DECK DEPT. EMPLOYEE
ON THE M/V MATANUSKA FOR 15 YEARS, I + FELLOW
EMPLOYEES HAVE MANY SUGGESTIONS FOR
SOLVING MANY PROBLEMS FACING OUR SYSTEM.
IF YOUR COMMITTEE IS INTERESTED IN HEARING
SOME SUGGESTIONS, I AND MANY OTHERS WOULD
LOVE TO SPEND OUR OWN TIME DETAILING WHAT WE
KNOW. RESPECTFULLY - ROBERT. L GLENN

Signed:

Robert L Glenn
Treasurer

Phone: 907 225 4231

Representing (Optional)
PO BOX 9115 KETCHIKAN AK 99901
Address

Fax transmitted from Ketchikan Legislative Information Office
 Phone: 225-9675 Fax: 225-8546

Alaska State Legislature



Session:
State Capitol, Room 423
Juneau, AK 99801-1182
(907) 465-4921

Interim:
716 W. 4th Avenue, Ste. 450
Anchorage, AK 99501-2133
(907) 258-8183

SENATE TRANSPORTATION COMMITTEE

February 24, 1997

Mr. Gary Hayden, Director
Alaska Marine Highway System
3132 Channel Drive
Juneau, AK 99801-7898

Dear Mr. Hayden:

On Thursday, February 27 at 1:30 pm, the Senate Transportation Committee will resume hearings on SB 21, establishing a Alaska Marine Highway Authority. During this meeting, we will take testimony from the Department of Transportation. I would appreciate it if you would address the following questions during your testimony.

1. Please provide a copy of the Prince of Wales Island survey questions, the results of the survey and its cost.
2. How many, if any, claims has the Division of Risk Management paid in connection with intoxicated people disembarking from ferries?
3. How many people working in the Alaska Marine Highway System administration have had experience within the fleet?
4. During an August 19, 1996 meeting with the Task Force on the Alaska Marine Highway System, you referenced a "decision document" on closing the bar and indicated that you did not know the date the commissioner signed the document. The Senate Transportation Committee would like to obtain a copy of that document.
5. Also during the August 19 meeting, you were requested by the Task Force to obtain a "second opinion" on the safety of the Aurora crossing the Gulf of Alaska. You indicated that you would obtain this opinion. The Senate Transportation Committee would like to obtain a copy of that document.

Gary Hayden

Page 2

6. During an October 14, 1996 meeting with the Task Force on the Alaska Marine Highway System, Commissioner Perkins indicated that he expected to have "an idea of what the mission statement is going to be" by the first of the year. Has a revised mission statement been completed? If so, please provide a copy for the Senate Transportation Committee.

7. Please provide the Senate Transportation Committee with a report on the status of work being done to develop a computerized maintenance system. Please include the status, work environment and cost of the employee doing this job and a history of the project.

Thank you in advance for complying with this request for information, and we look forward to hearing your testimony on SB 21. If you have any questions, please feel free to contact Lydia Jones of my staff at 465-6641.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jerry Ward".

Senator Jerry Ward

cc: Sam Kito III

Questions for

DOTPF

on SB 21

February 1, 1997

Mr. Gary Hayden, Director
Alaska Marine Highway System
3132 Channel Drive
Juneau, AK 99801-7898

Dear Gary:

During the three hearings held by the Senate Task Force on the Alaska Marine Highway System this past interim, several requests for information were made that I don't think got answers.

At the July 19, 1996 meeting in Ketchikan, Mr. Downing was asked to provide a copy of the Prince of Wales Island survey questions, the results of the survey and its cost..

Mr. Downing was also asked to submit to the Task Force any information he could obtain on any claims the Division of Risk Management might have paid in connection with intoxicated people coming off the ferries.

The Task Force also asked for information on how many of the people working in AMHS administration have had experience within the fleet.

At the August 19 meeting in Seward, you made reference to a "decision document" on closing the bar and indicated you did not know that date the commissioner signed this document. The Task Force would like to obtain a copy of that document.

Gary Hayden

2/1/97

Page Two

Also in Seward, you were asked to obtain a "second opinion" on the safety of the Aurora crossing the Gulf. You indicated that you would obtain such an opinion, in writing.

At the Sitka meeting on October 14, Commissioner Perkins indicated he expected to have "an idea of what the mission statement is going to be" by the first of the year. Has a revised mission statement been completed? The Task Force would appreciate either a copy of that document or a status report.

The Task Force also requested a report on the status of work being done to develop a computerized maintenance system. Please include the status, work environment and cost of the employee doing this job and a history of the project.

I apologize if any of this material has already been submitted or the questions answered. The Task Force has collected an astounding volume of information of the Marine Highway and it is possible I may have missed your response.

Sincerely,

Joe A. Ambrose

Staff

Senate Task Force on the AMHS



TELECOPY COVER SHEET
Ketchikan Legislative Information Office
Office - (907) 225-9675 Fax - (907) 225-8546

TO: Senate Transportation Committee

ATTN: Ludia FAX: 445-3766 PHONE: _____

FROM: John Rittenbach PHONE: _____

INSTRUCTIONS: Testimony for TC 70274 - letter to
AWMS dated 12/20/96 - also 5^{pages} from Ed Markshoff

SENT: Date 2/18/97 Time 1:55pm

DISPOSAL OF ORIGINAL: Discard _____ Hold for Pickup _____

NUMBER OF PAGES: 5+5 (NOT counting cover sheet)

TRANSMITTED BY: [Signature]

STATEMENT FOR TRANSPORTATION COMMITTEE HEARING

Ketchikan, Ak 2/18/97

John Ritterbach-P.O. 9420 Km, 99901 (907)225-9459

Ladies and Gentlemen, my name is John Ritterbach and I am a Purser aboard the M/V Matanuska. As I have stated before, it's not easy to speak against your employer. However, I see no future for the Alaska Marine Highway with the present administration. I came here today because I care about the system and the people that we serve. I come before this committee to plead the case of a dying patient. The patient is the Alaska Marine Highway, and we are in dire need of a dose of common sense.

I support Senate Bill 21 to establish a Marine Highway Authority. As you look at this bill, it may not be the perfect cure for the woes of Marine Transportation, but without action soon the system itself will surely die. The time to act is now, before there is nothing left to save. It is time to stop playing politics with AMHS. The people of Alaska deserve better. And they can have better, if only you will act.

The management of AMHS is inept at best. The vast majority of Central Office management, from the Director, Mr. Hayden, on down, have little or no Maritime experience. Internal decisions are being made from the Commissioner of Transportation office with no rational basis.

The Commissioner of Transportation and Director of the Alaska Marine Highway have been caught in lies to the public and employees of the Alaska Marine Highway. The Alaska Marine Highway has no leadership, because there are no leaders. Only the tired old line of political appointed Commissioners and Directors. We need leaders with experience, not someone who was popular with the governor.

As I said to Mr. Perkins recently, in order to grow and prosper in times of economic shortage, we must pull together and do more with less. At AMHS, we must find more reasons for the public to use our services, not raise prices, and cut services at every turn. Not only is the Alaska Marine Highway just a highway, but a vital way to stimulate the economy of the communities that we serve. I believe that the way to generate more revenue, and reduce the amount that you have to appropriate each year is to give the public what we are meant to be. A service they can rely on at a reasonable price.

Compare AMHS with our friends in Canada. Their prices are lower, their on board services are better, and their schedule is users friendly.

At a recent meeting it was suggested to system Director Mr. Hayden that we needed to cut prices. His answer was that . . . "if we cut prices, and we don't increase our revenue then what?" My reply is that it is price, poor schedule, and lack of services that have caused our lack of revenue. We are in a spiral of destruction. Managements only solution to any problem is to cut service and raise prices.

I believe that we are not getting much bang for our buck. I believe that we can be much more effective even with the level of funding now provided. If I think I have the ideas to be 30% more effective, imagine what real, effective management, that is not afraid to listen to its employees and suggestions from the public could do?

Management is so top heavy that it is hard to believe. During the winter reduction in force, the number of people working in the Juneau Central Office almost equals the number of employees working on the three ships that are still running. About 60% of ship employees lose their jobs in the winter months, and it takes a new employee hired this year in the IBU about *six years to become a full-time year around worker*. If you are hired in the Juneau Central Office, however, you are full-time right from the start, in fact, *not one employee in the Juneau Office loses one hour pay during the winter reduction in force period. Is there something wrong with this picture?* Mr. Hayden makes the lame reply that *some reservation's agents have reduced hours in the winter*. It is my belief that the Juneau Office staff could, and should, be reduced by 30% or more.

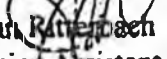
Senators, take a tour of the Juneau Office. Bright, new, good equipment, and fully staffed. Take a look at our shiny new Terminal Buildings. Then take a tour of the ships of the Alaska Marine Highway that *they support*. Tired, shabby, in dire need of a facelift. For years, the M/V MALASPINA, has been neglected by AMHS. We have been told there is no money, not even for basic items like paint. Yes, AMHS staff would have you believe that the M/V MALASPINA isn't worth much, and would be better off sold. The question is what a new ship of that size would cost compared to the cost of upgrade of the M/V MALASPINA. The M/V MALASPINA could be used, and produce revenue, while SOLAS upgrades were made. In short, the M/V MALASPINA is a valuable asset to AMHS and the State of Alaska. Is the Commissioner of Transportation more interested in using the funds earmarked for AMHS for other projects? An important question might be, can the Management of AMHS be trusted to tell the truth about the M/V MALASPINA?

Ladies and Gentlemen, the Alaska Marine Highway has a motto, "A PROUD TRADITION." That tradition of service has been allowed to tarnish. I urge you to embark on a course that will restore that tradition. I urge you to support Senate Bill 21. Let's make the ships of the fleet something to be proud of, something new, and alive, and a fleet that all Alaskans can be proud of.

Thank-you.

COVER MEMO

Ketchikan, Ak
Senate Transportation Committee
February 18, 1997


John Rittenbach
Senior Assistant Purser
M/V MATANUSKA
P.O. Box 9420
Ketchikan, Ak 99901
(907)225-9459

Senators,

This memo was sent to Commissioner Perkins on 12/20/96. I have yet to receive a reply. I find it hard to believe that a Commissioner is allowed to lie to the Alaskan public and AMHS employees with impunity.

I believe that the record speaks for itself.

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Alaska Marine Highway System/Vessel Operations

P.O. Box 25535

Juneau, Alaska 99802-5535

Telex: 45-312

Phone: (907) 465-3955

To: Joe Perkins
Commissioner
Department of Transportation & Public Facilities

Date: 12/20/96

FROM: John Riffenbach
Purser
Alaska Marine Highway System

Subject: AMHS Operations
and Management

I would like to thank you for the opportunity of meeting with you aboard the M/V COLUMBIA on December 17, 1996. I feel we need meetings like this at least once a quarter. As you can see from the number of employees attending, many of us are interested and concerned about what is happening to the Alaska Marine Highway. I believe, as do many others, that AMHS is at a crossroads. In order to grow and prosper in times of economic shortages, we must pull together and do more with less. However, I firmly believe that a cycle of higher prices and less services, can only result in a spiral of failure. We must use what resources we have wisely, find ways to give the public more reason to use our services, not less. Let me give you some examples.

Bar closures--In short, I believe this to be the single worst AMHS management decision made in at least eight years. In the meeting aboard the M/V COLUMBIA, you stated it was your decision to close the Cocktail Lounges. However, in reading comments made by Senator Robin Taylor at the Senate Task Force on the Alaska Marine Highway System in Sitka, Alaska on October 14, 1996, he says "...during the recent Southeast Conference, he met with Commissioner Perkins, who told him it was not his decision to take the bars off the ferries, that it was an internal decision." In the meeting aboard the M/V COLUMBIA, you stated that you were not aware of the IBU-P offer to reduce non-revenue jobs in order to save an equal number of revenue producing bartender positions. It seems that Mr. Hayden, according to you, did not bring forward the offer by the IBU-P to eliminate certain steward positions to save the revenue bartender positions. However, in that same Sitka meeting with Senator Robin Taylor, it was stated "...that a program was brought forward that allowed the administration to achieve the cost savings they were looking for without having to eliminate the actual bar service." Frankly, I don't know what to believe here. I'll take you at your word that you were not aware of all the offers on the table. So, let's go over it one more time.

As I understand it, the IBU-P was willing to give up eight Officer BR positions at \$15.56 to save eight bartender positions at \$15.74. The Officer BR positions generate no revenue and the bartender positions generate \$460,000.00 in gross sales for AMHS. In our meeting, you claim that counting wages and other overhead, the Cocktail Lounges lose \$155,000.00, or as you put it, we subsidize each drink about .40cents. If you take away the wages, as this offer in effect does, the issue of losing money is no longer valid. All that was needed was a .40cent per drink price increase in the first place to break even. It was also disturbing to hear Mr. Hayden reveal that the decision to close the Cocktail Lounges was made prior to Labor/Management Committee meetings to suggest ways to increase revenue in the bars and keep them open. Is this to say that this exercise was doomed from the start, and that the decision was already made regardless of what suggestions were offered? That these meetings were made to pacify labor into thinking that we could make a difference? As you will remember, I asked Mr. Hayden if he had implemented any of the suggestions brought to him. His answer was that the decision was already made to close the lounges.

(4)

Memorandum

State of Alaska

Department of Transportation & Public Facilities

Page 1 of 2

OT
DAY
O.T.
OVERTIME WAGES

TO: George M. Brereton
Master
M/V Taku
"A" Crew

DATE: January 9, 1997

FROM: Edward E. Marksheffel
Chief Purser
M/V Taku
"A" Crew

SUBJECT: Crew list beginning
in Juneau 1/8/97

<i>Station Bill</i>	Name	<i>OT</i>	Position	Position #	Life Boat	HCT	Change Port	Remarks
31.49	A George M. Brereton	47.24	Master	271101	Yes	Yes	Ktn	566.88
26.20	1 Scott B. Hendrickson	39.30	Chief Mate	271104	Yes	Yes	Ktn	Montez-Vac. 471.40
22.94	2 Thomas O. Moore	34.41	Second Mate	271106	Yes	Yes	Ktn	412.92
22.94	3 John A. O'Brien	34.41	Third Mate	271107	Yes	Yes	Jnu	412.92
	4		Pilot Observer					
16	Edward E. Marksheffel	31.48	Chief Purser	271125	Yes	Yes	Ktn	372.96
17	Jeanne M. Orr	27.56	S/A Purser	271128	Yes	Yes	Jnu	330.72
5	Douglas J. Thompson	27.77	Boatswain	271134	"U"	Yes	Ktn	Kannar-Uffd 333.24 304.92 304.92 304.92 304.92
9	Dorney D. L. Mullins	25.41	A/B	271137	"U"	Yes	Ktn	
7	James Holzenberg	25.41	A/B	271138	"U"	Yes	Ktn	
6	Nicholas G. Kollars	25.41	A/B	271139	"U"	Yes	Ktn	
8	Kenneth C. Fenn	25.41	A/B	271140	"U"	Yes	Jnu	
11	Gifford J. Peratrovich	23.41	O/S	271145	Yes	Yes	Ktn	285.72
10	Donald M. Hamilton	23.91	O/S	271146	Yes	Yes	Ktn	285.72
12	Petrus B. Van Aart	23.91	O/S Porter	271148	Yes	Yes	Ktn	285.72
15	Beverly J. George	23.81	Watchman	271150	Yes	Yes	Ktn	285.72
14	Sverre Jonassen	23.42	Watchman	271151	Yes	Yes	Ktn	285.72
28.94	18 Allan F. Lee	43.41	Chief Engineer	271110	Yes	Yes	Ktn	520.92
24.92	19 Dale H. Malmberg	37.42	1 st Engineer	271115	Yes	Yes	Ktn	449.04
23.89	20 John A. Larson	34.95	2 nd Engineer	271118	Yes	Yes	Ktn	419.40
21.86	21 Michael D. McRoberts	32.79	3 rd Engineer	271121	Yes	Yes	Jnu	393.48
	22 Mark Hutson		Jr. Engineer	27.92 271153	Yes	Yes	Ktn	335.40
	23 Laurance J. Murphy		Oiler	25.64 271156	Yes	Yes	Ktn	307.68
	24 Thomas L. Binder		Oiler	25.64 271157	Yes	Yes	Jnu	307.68
	25 Fred T. Coleman		Wiper	23.99 271160	Yes	Yes	Jnu	287.96

12 hrs
Per Day o.t.

8571.22

O.T. Day + Straight Day = 22,641.48

WITH COLA FOR MM+P + MEBA
WELL OVER \$2500/DAY



Memorandum

State of Alaska

Department of Transportation & Public Facilities

OVERTIME WAGES

Page 2 of 2

TO: George M. Brereton
Master
M/V Taku
"A" Crew

DATE: January 9, 1997

FROM: Edward E. Marksheffel
Chief Purser
M/V Taku
"A" Crew

SUBJECT: Crew list begining
in Juneau 1/8/97

O.T.

Station Bill	Name	O.T.	Position	Position #	Life Boat	HCT	Change Port	Remarks
26	Charles P. Kiel	31.48	Chief Steward	271161	Yes	Yes	Ktn	372.96
27	Raymond L. Caldwell	27.56	Second Steward	271165	Yes	Yes	Jnu	330.72
28	Bernadeth T. Suson	26.32	Chief Cook	271166	Yes	Yes	Jnu	339.84
29	Pamela L. Kadake	24.96	Second Cook	271167	Yes	Yes	Ktn	298.80
30	Mario C. M. Jacas	24.96	Second Cook	271168	Yes	Yes	Jnu	298.80
31	Audrey K. Berggren	23.60	2 nd /A Cook	271169	Yes	Yes	Jnu	283.32
32	Arletta M. Hjort	23.51	Gift Shop	271172	Yes	Yes	Ktn	282.12
33	Edward W. Ezre	23.51	Cashier	271173	Yes	Yes	Jnu	282.12
34				271174				
35	Elizabeth F. McFarlane	23.61	Head BR	271176	Yes	Yes	Ktn	283.32
36	Nola E. Wilcox	23.34	Officer's Mess	271177	Yes	Yes	Ktn	280.88
37	Connie L. Howard	23.34	Crew Mess	271178	Yes	Yes	Ktn	280.88
38	Serguis F. Sheakley	23.34	Officer's BR	271179	Yes	Yes	Jnu	
39	Eileen D. Lucky	23.34	Steward	271181	Yes	Yes	Ktn	
40	Karl J. Ashenbrenner	23.34	Steward	271182	Yes	Yes	Jnu	
41	Gilberto Padron	23.34	Steward	271183	Yes	Yes	Jnu	
42	Douglas R. Kendall	23.34	Steward	271184	Yes	Yes	Jnu	
43			Steward	271185				
44	David E. Douglas	23.34	Steward	270079	Yes	Yes	Ktn	
45			Steward	270080				

SAME

X 10

2772.00

2240.64

Department	# crew	# L.H. tickets
Deck	14	14
Purser	2	2
Engine	8	8
Steward	17	17
Totals	41	41

1st Page 5012.64

O.T. Day WAGE only

+ Page one 8571.00

T. 13583.64

24 Lifebom tickets required

2

Memorandum

State of Alaska

Department of Transportation & Public Facilities

Page 1 of 2

Straight Tom Day

TO: George M. Brereton
Master
M/V Taku
"A" Crew

DATE: January 9, 1997

FROM: Edward E. Marksheffel
Chief Purser
M/V Taku
"A" Crew

SUBJECT: Crew list beginning
in Juneau 1/8/97

[Handwritten signature]

Straight Tom

Station Bill	Name	Position	Position #	Life Bont	HCT	Change Port	Remarks
31.49	A George M. Brereton	Master	271101	Yes	Yes	Ktn	377.80
26.20	1 Scott B. Hendrickson	Chief Mate	271104	Yes	Yes	Ktn	Montez-Vac. 314.40
22.94	2 Thomas O. Moore	Second Mate	271106	Yes	Yes	Ktn	275.28
22.94	3 John A. O'Brien	Third Mate	271107	Yes	Yes	Jnu	275.28
	4	Pilot Observer					
20.72	16 Edward E. Marksheffel	Chief Purser	271125	Yes	Yes	Ktn	248.44
18.37	17 Jeanne M. Orr	S/A Purser	271128	Yes	Yes	Jnu	220.44
18.51	5 Douglas J. Thompson	Boatswain	271134	"U"	Yes	Ktn	Kanaar-Uffd 222.12
16.94	9 Dorney D. L. Mullias	A/B	271137	"U"	Yes	Ktn	203.28
16.94	7 James Holzenberg	A/B	271138	"U"	Yes	Ktn	203.28
16.94	6 Nicholas G. Kollars	A/B	271139	"U"	Yes	Ktn	203.28
16.94	8 Kenneth C. Fenn	A/B	271140	"U"	Yes	Jnu	203.28
15.87	11 Gifford J. Peratrovich	O/S	271145	Yes	Yes	Ktn	190.44
15.87	10 Donald M. Hamilton	O/S	271146	Yes	Yes	Ktn	190.44
15.87	12 Petrus B. Van Aart	O/S Porter	271148	Yes	Yes	Ktn	190.44
15.87	15 Beverly J. George	Watchman	271150	Yes	Yes	Ktn	190.44
15.87	14 Sverre Jonassen	Watchman	271151	Yes	Yes	Ktn	190.44
28.94	18 Allan F. Lee	Chief Engineer	271110	Yes	Yes	Ktn	347.20
24.94	19 Dale H. Malmberg	1 st Engineer	271115	Yes	Yes	Ktn	299.40
23.30	20 John A. Larson	2 nd Engineer	271118	Yes	Yes	Ktn	279.60
21.86	21 Michael D. McRoberts	3 rd Engineer	271121	Yes	Yes	Jnu	262.72
18.63	22 Mark Hutson	Jr. Engineer	271153	Yes	Yes	Ktn	223.56
17.09	23 Laurance J. Murphy	Oiler	271156	Yes	Yes	Jnu	205.08
17.09	24 Thomas L. Binder	Oiler	271157	Yes	Yes	Jnu	205.08
15.99	25 Fred T. Coleman	Wiper	271160	Yes	Yes	Jnu	191.20

5713.56

O.T. DAY + Straight Day = 22,641.48

This Page
Wages Per Day:
WITH COLA FOR MMP + MRBA WELL OVER 25000/DAY (3)

Memorandum

STRAIGHT TIME

State of Alaska

Department of Transportation & Public Facilities

PAGE 2 of 2

TO: George M. Brereton
Master
M/V Taku
"A" Crew

DATE: January 9, 1997

FROM: Edward E. Marksheffel
Chief Purser
M/V Taku
"A" Crew

SUBJECT: Crew list beginning
in Juneau 1/8/97



Station Bill	Name	Position	Position #	Life Boat	HCT	Change Port	Remarks
20.75	26 Charles P. Kiel	Chief Steward	271161	Yes	Yes	Ktn	248.64
18.37	27 Raymond L. Caldwell	Second Steward	271165	Yes	Yes	Jnu	220.44
18.08	28 Bernadeth T. Suson	Chief Cook	271166	Yes	Yes	Jnu	226.50
16.62	29 Pamela L. Kadake	Second Cook	271167	Yes	Yes	Ktn	199.20
16.62	30 Mario C. Malacas	Second Cook	271168	Yes	Yes	Jnu	199.20
15.24	31 Audrey K. Berggren	2 nd /A Cook	271169	Yes	Yes	Jnu	188.05
15.67	32 Arletta M. Hjort	Gift Shop	271172	Yes	Yes	Ktn	188.04
15.67	33 Edward W. Ezre	Cashier	271173	Yes	Yes	Jnu	188.04
	34		271174				
15.74	35 Elizabeth F. McFarlane	Head BR	271176	Yes	Yes	Ktn	188.00
15.67	36 Nola E. Wilcox	Officer's Mess	271177	Yes	Yes	Ktn	188.04
15.67	37 Connie L. Howard	Crew Mess	271178	Yes	Yes	Ktn	188.04
15.56	38 Serguis F. Sheakley	Officer's BR	271179	Yes	Yes	Jnu	186.72
15.56	39 Eileen D. Lucky	Steward	271181	Yes	Yes	Ktn	"
15.56	40 Karl J. Ashenbrenner	Steward	271182	Yes	Yes	Jnu	"
15.56	41 Gilberto Padron	Steward	271183	Yes	Yes	Jnu	"
15.56	42 Douglas R. Kendall	Steward	271184	Yes	Yes	Jnu	"
	43	Steward	271185				"
15.56	44 David E. Douglas	Steward	270079	Yes	Yes	Ktn	"
	45	Steward	270080				"

Straight Time This page = 3344.28

Department	# crew	# L.B. tickets
Deck	14	14
Purser	2	2
Engine	8	8
Steward	17	17
Totals	41	41

" page ONE = 5713.56

Sh. ps Wages Per Day

9057.84

24 Lifeboat tickets required

Straight Time



A Japanese company and AMHS had a boat race; the Japanese won by a mile. AMHS hired analysts to figure out what went wrong. They reported that the Japanese had one person managing and seven rowing, while AMHS had seven managing and only one rowing. AMHS immediately restructured its team. Now they had one senior manager, six management consultants and one rower. In the rematch the Japanese won by two miles. So AMHS fired the rower.

~ Jay Trachman in "One to One"

(5) (6)

Alaska State Legislature

Chairman,
Judiciary Committee

Member,
Resources Committee
Rules Committee
Committee on Committees



State Capitol
Juneau, Alaska 99801-1182
(907) 465-3873
Fax: (907) 465-3922

352 Front Street
Ketchikan, Alaska 99901
(907) 225-8088
Fax: (907) 225-0713

Senator Robin L. Taylor

Sponsor Statement

Senate Bill 21

Senate Bill 21 would establish an Alaska Marine Highway Authority to assume management of the Marine Highway System from the Department of Transportation and Public Facilities.

The Authority would be a public corporation of the state as an instrumentality of DOT/PF, but would have a legal existence independent and separate from the state. The new Authority would be comparable to the Alaska Housing Finance Corporation or the Alaska Industrial Development and Export Authority.

The powers of the authority would rest with a seven member Board, appointed by the Governor. One member would be the Commissioner of Transportation. The six other members would be required to have experience in maritime affairs and would serve staggered five year terms. The Board would hire the system director.

Establishment of such an authority board would bring maritime experience and continuity to the management of the Alaska Marine Highway System.

Based on information gathered at public hearings over the interim, the Senate Task Force on the Alaska Marine Highway System concluded that the legislature should consider the creation of such an Authority.

Testimony received by the Task Force indicated that DOT management of the Marine Highway lacks focus and that AMHS administration under DOT lacks maritime experience.

District A:

Hyder • Ketchikan • Kupreanof • Meyers Chuck • Petersburg • Saxman • Sitka • Wrangell

Sponsor Statement

SB 21

Page Two

Management under DOT has become insular and is unresponsive to input from vessel employees and the general public. Scheduling is chaotic and the fare structure has discouraged ridership. The reservations system has been an abject failure.

While concerns over funding levels are valid, the naturally bureaucratic mind-set of the Department has tightened what former director Jim Ayers termed a "death spiral".

Establishment of the Alaska Marine Highway Authority will not be a panacea, but will give the system a new perspective.

I ask your support for Senate Bill 21.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 14, 1997

SUBJECT: Sectional Summary of SB 21; An Act relating to ferries and ferry terminals, establishing the Alaska Marine Highway Authority, and relating to maintenance of state marine vessels. (SB 21)

TO: Senator Robin Taylor

FROM: George Utermohle *GU*
Legislative Counsel

You have requested a sectional summary of SB 21; An Act relating to ferries and ferry terminals, establishing the Alaska Marine Highway Authority, and relating to maintenance of state marine vessels.

As a preliminary matter, note that a sectional summary of a bill is not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

Section 1 of the bill sets out the purpose of the bill.

Section 2 of the bill amends AS 19 by adding a new chapter relating to the Alaska Marine Highway Authority.

CHAPTER 55. ALASKA MARINE HIGHWAY AUTHORITY. ARTICLE 1. CREATION AND ORGANIZATION.

Sec. 19.55.010 establishes the Alaska Marine Highway Authority as a public corporation of the state within the Department of Transportation and Public Facilities. The powers of the authority are vested in the board of directors of the authority.

Sec. 19.55.020 relates to the directors of the authority. There are seven directors of the authority: the commissioner of transportation and public facilities and six other persons appointed by the governor. The qualifications for the appointed directors are set out.

The appointed directors serve for staggered five year terms. Appointed directors may only be removed for cause.

The directors of the authority are subject to conflict of interest laws under AS 39.50.

Senator Robin Taylor
January 14, 1997
Page 2

The appointed directors of the authority are entitled to compensation in the amount of \$300 for each day they are engaged in the business of the authority. The directors also receive travel and per diem expenses.

Sec. 19.55.030 provides for the election of officers by the directors of the authority and sets the quorum for meetings of the directors.

Sec. 19.55.040 authorizes the board of directors of the authority to employ a chief executive officer who serves at the pleasure of the board and who may employ additional staff. The officers and the staff of the authority are in the exempt service under AS 39.25.110. The board may also employ consultants and advisors.

ARTICLE 2. POWERS AND DUTIES.

Sec. 19.55.110 sets out the powers of the authority.

Sec. 19.55.120 sets out the duties of the authority.

Sec. 19.55.130 authorizes the authority to operate a ferry system under the name "Alaska Marine Highway System".

Sec. 19.55.140 requires the authority to prepare a comprehensive long-range plan for development and improvement of the ferry system, in cooperation with the Department of Transportation and Public Facilities, at least every five years.

ARTICLE 3. ACQUISITION OF PROPERTY.

Sec. 19.55.210 provides that the authority may acquire land and material necessary for the construction, maintenance, or improvement of the marine highway system.

Sec. 19.55.220 provides that the authority may acquire land for the purpose of exchanging the land for other land that the authority needs to acquire.

Sec. 19.55.230 provides that the authority may vacate land or rights in land held by the authority. The authority may transfer its surplus lands to the Department of Natural Resources for disposal. The proceeds of the disposal shall be returned to the source of funds from which the original purchase of the land was made.

ARTICLE 4. VESSELS AND FERRY TERMINAL FACILITIES.

Sec. 19.55.310 authorizes the authority to construct, purchase, or lease ferry terminal facilities, to connect ferry terminal facilities with local highway systems, and to adopt

regulations regarding the use of ferry terminal facilities by the public and to set fees for the use of terminal facilities. The authority shall repair and maintain the facilities that it owns.

Sec. 19.55.320 provides that the vessels and facilities of the authority shall be named by law.

ARTICLE 5. BUDGET AND REVENUE.

Sec. 19.55.410 provides that the authority is subject to the Executive Budget Act and that the expenditures of the authority are subject to appropriation by the legislature.

ARTICLE 6. GENERAL PROVISIONS.

Sec. 19.55.910 provides that the board of the authority shall annually submit a report to the governor and legislature regarding its operations, income, and expenditures for the preceding fiscal year.

Sec. 19.55.920 provides that the authority shall have its financial records audited annually and that the legislative auditor may prescribe the form and content of the financial records of the authority.

Sec. 19.55.990 sets out the definitions of "authority" and "ferry".

Sec. 19.55.995 provides that this chapter may be cited as the Alaska Marine Highway Authority Act.

Section 3 of the bill makes a technical amendment to AS 03.53.010(a) relating to the transportation of animals aboard state ferries.

Section 4 of the bill makes a technical amendment to AS 18.65.755(a) relating to the carrying of a concealed handgun on a vessel of the authority.

Sections 5 - 9 of the bill make technical and editorial amendments to AS 19.65 relating to the Alaska Marine Highway System Fund.

Section 10 of the bill amends AS 23.40.040 to provide that the authority shall be responsible for negotiating with the unions representing the employees of the authority.

Section 11 of the bill makes a technical amendment to AS 29.35.722 relating to the transfer of assets of the authority to a port authority.

Sections 12 - 13 of the bill make technical amendments to AS 35.10.015 relating to access to and use of state ferry vessels by handicapped, aged, and infirmed passengers.

Sections 14 - 17 of the bill makes amendments to AS 35.27 to provide that the authority is responsible for the application of the art in public places program to vessels and facilities of the authority.

Sections 18 - 20 of the bill amend provisions of the procurement code (AS 36.30) and set out the responsibilities of the authority under the procurement code.

Section 21 of the bill amends AS 36.90.050(a) relating to in-state maintenance of state-owned marine vessels.

Section 22 of the bill makes technical amendments to AS 37.05.550 relating to the Alaska Marine Highway System Vessel Replacement Fund.

Section 23 of the bill makes a technical amendment to AS 39.20.310(8) relating to the eligibility of ship board employees of the authority to participate in the leave system for state employees.

Sections 24 of the bill amends AS 39.25.110(11) to provide that the employees of the authority are in the exempt state service.

Section 25 of the bill makes a technical amendment to AS 39.30.150(b) relating to the participation of certain employees of the authority in the supplemental employee benefit program (SBS).

Section 26 of the bill makes a technical amendment to AS 39.35.680(21) relating to the participation of certain employees of the authority in the Public Employees Retirement System.

Section 27 of the bill amends AS 39.50.200(b) to provide that directors of the authority are subject to the conflict of interest law (AS 39.50).

Sections 28 - 29 of the bill amend AS 44.42.020 in order to transfer the authority of the Department of Transportation and Public Facilities over the planning, design, construction, maintenance, management, and operation of the facilities, vessels, and equipment of the marine highway system to the authority.

Section 30 of the bill provides for the transfer of the employees, appropriations, and assets of the Division of Marine Transportation in the Department of Transportation and Public Facilities to the Alaska Marine Highway Authority upon enactment of this bill. This section also provides that nothing in this bill terminates or modifies the bargaining representation or bargaining agreements that are in effect at the time of enactment of the bill.

Senator Robin Taylor
January 14, 1997
Page 5

Section 31 of the bill provides for the terms of the initial appointees to the board of directors of the authority in order to provide for staggered terms.

Sections 32 - 33 of the bill repeal unnecessary provisions of AS 19.65 (Alaska Marine Highway System), which have been replaced by provisions of AS 19.55 as contained in sec. 2 of this bill. AS 39.25.110(16) relating to the exempt status of ship board employees of the division of marine transportation is repealed. Section 5, ch. 94, SLA 1992, which provides for the repeal of AS 36.90.050 (instate maintenance of state marine vessels; see sec. 21 of the bill) is itself repealed.

Sections 34 - 35 provide effective dates for provisions of the bill. Sections 1 (purpose), 21 (instate maintenance of state marine vessels), 31 (initial appointment of members of the board of the authority), and 33 (repeal of sec. 5, ch. 94, SLA 1992) take effect immediately. The remainder of the bill takes effect on January 1, 1998.

GU:pl
97-006.plm

K

J

C

adopted. 2/5/97
Draft

Ketchikan Indian Corporation

(Tribal Council)

429 DEERHOUND AVENUE
KETCHIKAN, ALASKA 99901
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RESOLUTION: KIC 97-09

TITLE: SUPPORT OF SENATE BILL NO. 21: "An Act relating to ferries and ferry terminals, establishing the Alaska Marine Highway Authority, and relating to maintenance of state marine vessels; and providing for an effective date."

BY: KETCHIKAN INDIAN CORPORATION TRIBAL COUNCIL

WHEREAS, the Ketchikan Indian Corporation is a federally recognized Tribal government pursuant to the Indian Reorganization Act (IRA) of 1936 as amended; and

WHEREAS, the Ketchikan Indian Corporation Tribal Council is the representative Tribal government of the Ketchikan Indian Corporation, a sovereign, federally recognized IRA Tribe whose membership resides in the Ketchikan area; and

WHEREAS, the health, education, and welfare of its membership is of paramount importance to the well being of the Ketchikan Indian Corporation; and

WHEREAS. The Ketchikan Indian Corporation and its membership are affected by the effective and efficient operation of the Alaska Marine Highway System as stated in Section 19.55.120. **Duties of authority.** The authority shall

- (1) assist the residents, businesses, and communities of the state in obtaining optimal marine passenger and freight service;
- (2) schedule vessel sailings to optimize the frequency of service to all ports;
- (3) encourage and integrate with other public and private carriers to the greatest extent possible to provide ferry service within the state and between Alaska ports and ports outside the state in order to provide optimum service within the state;
- (4) provide reservation access and marketing information throughout the state;
- (5) encourage vessel construction, maintenance, and service in the state to the greatest extent possible;
- (6) employ residents of the state to the greatest extent legally possible;
- (7) recognize Alaska unions and employee associations to the greatest extent legally possible.

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SO THEREFORE BE IT RESOLVED, that the Ketchikan Indian Corporation hereby supports Senate Bill No. 21.

CERTIFICATION

The foregoing resolution was adopted at a duly convened meeting of the Ketchikan Indian Corporation Tribal Council, assembled this 5th day of February, 1997, at the Ketchikan Indian Corporation, 429 Deennount Avenue, Ketchikan, Alaska 99801, by a vote of _____ FOR, _____ AGAINST, and _____ ABSTAINING.

Stephanie D. Rainwater, President

Date

ATTESTED:

Gerald E. Hope, Secretary

Date
