

HB

80

Randall Ruaro

From: Mary Siroky [Mary_Siroky@dot.state.ak.us]
Sent: Wednesday, April 25, 2007 9:26 AM
To: Randall Ruaro
Subject: FW: HB 80 Study of ferry service on Yukon and Kuskokwim Rivers

just so you know where we are at on this issue. I will have Dennis Hardy with me, as well as either Jeff Otteson or Carol Taylor from Program Development - our planning folks.

I called Maridon and talked with her so she knows where we are coming from and a little bit of how we got to our fiscal note.

-m-

From: Mary Siroky [mailto:Mary_Siroky@dot.state.ak.us]
Sent: Wednesday, April 25, 2007 9:24 AM
To: 'Christopher Clark'; 'John Bitney'
Cc: 'John S Mackinnon'; Dennis Hardy; 'Jeff Ottesen'; Carol A Taylor; 'Von Scheben, Leo (DOT)'; 'john_falvey@dot.state.ak.us'
Subject: HB 80 Study of ferry service on Yuko . and Kuskokwim Rivers

The sponsor's aide reminded me that last year Robin Taylor testified that he supported the idea of ferry service on the Yukon River and she asked if we would testify in support of this bill.

I told her this is a policy decision on the part of the legislature (it is a study) and that we will do whatever the legislature deems as appropriate and that is how we will testify in committee.

We will sign up to answer questions only.

mary

Mary Siroky
Special Assistant to Commissioner
Department of Transportation and Public Facilities
907-465-4772

4/25/2007



ALASKA STATE LEGISLATURE
REPRESENTATIVE WOODIE SALMON

Memorandum

Date: January 29, 2007

To: Representative Kyle Johansen
Chair, Transportation Committee

From: Representative Woodie Salmon *WS*

Re: Hearing Request HB 80

I respectfully request you to schedule a hearing for HB 80, "An Act expanding the Alaska marine highway system to Yukon and Kuskokwim River locations and relating to the duty of the Department of Transportation and Public Facilities to construct, purchase, or lease ferry terminal facilities."

HB 80 requires the State Department of Transportation and Public Facilities to study the feasibility of a state ferry system on the Yukon and Kuskokwim River.

If you have any questions, please contact my office at 465-4527.

Thank you.

Representative Woodie Salmon



Yukon Delta Fisheries Development Association

1016 West Sixth Avenue • Suite 301 • Anchorage • AK 99501
 Tel: (907) 644-0326 Fax: (907) 644-0327

April 23, 2007
 At Anchorage, Alaska

Dear Governor Palin:

We are addressing this correspondence to you out of concern and our involvement with the issues and problems confronting not only the six member communities of Yukon Delta Fisheries Development Association, Grayling, Alakanuk, Kotlik, Mountain Village, Nunam Iqua, and Emmonak, but all of the villages on the Yukon River.

Representative Woodie Salmon has introduced and sponsored House Bill 80.

Title on this Bill reads: "An Act expanding the Alaska Marine Highway system to Yukon and Kuskokwim locations and relating to the duty of the Department of Transportation and Public Facilities to construct, purchase, or lease ferry terminal facilities."

Governor Palin, as you are aware there is already in existence a long established State Ferry. The Alaska Marine Highway system has been operating year-round since 1963. It currently services 32 communities in Southeast Alaska, Southwest Alaska, as well as the Alaska Peninsula, and Aleutian Islands. It benefits villages as small as the Aleutian town of False Pass with a resident population of 61 people. It provides a vital link to highways, railheads, and ports that connects Alaska and the Lower 48. It is duly understood in these communities that without the ferry system it would be extremely difficult if not outright impossible for these towns and villages to sustain an existence. The Alaska Marine Highway System has become that essential piece of infrastructure that enables these towns to continue their traditional role in Alaska. People and industry in these serviced communities rely on the ferry system as a dependable, safe, and economically efficient means of transporting goods, cargo, and people.

Currently, most areas in the State are in the midst of unprecedented economic growth. The Mat-Su Valley is annually setting records for population growth. A gas pipeline deal is being forged through your personal efforts, which will certainly bring enormous prosperity to the Railbelt. Red Dog mine has dramatically strengthened the economy of the Northwest Arctic Borough to the benefit of the residents of that district. Southeast Alaska is enjoying a strong growing economy via tourism and commercial fishing.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB80-DOT-PD-4-24-07
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title Ferry Service, Incl. Yukon/Kuskokwim RDU Planning
 Component Statewide Program Development
 Sponsor Reps Salmon, Cissna
 Requester H. TRA Component No. 2762

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual	400.0	600.0				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	400.0	600.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	400.0	600.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	400.0	600.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Department will conduct a study of the feasibility of providing ferry service to communities on the Yukon River from the mouth to Eagle and on the Kuskokwim River from the mouth to McGrath. This study will identify infrastructure needs and regulatory issues for each community as well as options for types of service and frequency and their associated costs. This study will be done following the procedures set out in 17AAC05.130 - 145 for development of transportation plans to insure it can be incorporated into the Statewide Transportation Plan. This includes significant public participation. It is estimated that it will take two years to complete the study. The Department will contract out this project and use current staff to oversee the project.

Prepared by: Mary Siroky Phone 465-4772
 Division: Commissioner's Office Date/Time 4-24-07; 12:00pm
 Approved by: John MacKinnon, Deputy Commissioner Date 4/24/2007
 Agency: Department of Transportation and Public Facilities



ALASKA STATE LEGISLATURE
REPRESENTATIVE WOODIE SALMON

HB 80: SPONSOR STATEMENT

“An Act expanding the Alaska marine highway system to Yukon and Kuskokwim River Locations and relating to the duty of the Department of Transportation and Public Facilities to construct, purchase, or lease ferry terminal facilities.”

HB 80 requires the State Department of Transportation and Public Facilities to study the feasibility of a state ferry system on the Yukon and Kuskokwim Rivers.

Alaskan communities along the Yukon and Kuskokwim Rivers would benefit greatly from a seasonal ferry service for transporting passengers, vehicles and cargo. Ferry service with regular schedules would provide an economic boost to villages by providing tourists with a convenient means of traveling through the area. The new jobs created would also help the economy and directly benefit the communities. In addition, a ferry system would be a reliable and safe alternative to traveling the rivers independently in smaller boats, and provide a greater sense of connectedness and community among villages.

Currently, summertime barge service up and down the Yukon and Kuskokwim Rivers are slow and infrequent. Many communities will only experience one or two barge deliveries per year. With regular ferry service, local residents of villages along the Yukon and Kuskokwim Rivers would have another option for shipment of groceries and supplies, which could help lower prices.

A century ago, these rivers were primary routes of transportation linking interior communities during the gold rush era. A revitalization of these waterways would surely provide immediate benefits to locals, and encourage growth of tourism and a stronger economy for future generations of Alaskans. A feasibility study is a positive first step in this process. I respectfully ask for your support.

Thank you.



District No. 1 - Marine Engineers Beneficial Association (AFL-CIO)

Ben Goldrich
Representative

HAND DELIVERED



February 27, 2007

Representative Woodie Salmon
Alaska State Legislature
State Capitol - Room 114
Juneau, Alaska 99801

Re: House Bill 80

Dear Representative Salmon:

I commend you and Representative Cissna for introducing House Bill 80, an act that would expand the Alaska Marine Highway System to the Yukon and Kuskokwim Rivers. The first step in making this proposal a reality is to study the possible marine operations on the rivers, as is contemplated in your bill.

It is conceivable that ferry operations might also be feasible on the Stikine River and I urge you to work with your legislative colleagues to possibly expand the scope of the legislation. As you know, there was significant maritime trade on the Yukon, Kuskokwim and Stikine Rivers well into the latter part of the last century. Studying and possibly providing future ferry operations on these magnificent rivers is in the best tradition of our state.

On behalf of the many Marine Engineers' Beneficial Association (MEBA) members I represent in Alaska, I thank you for introducing this legislation. Please call on me if I can be of any assistance in advancing the bill.

Very Truly Yours,

Ben Goldrich,
MEBA Alaska Representative

Copy: Bud Jacque, Executive Vice-President (Via Fax)
Don Kubley, Legislative Liaison (Via Fax)

Page 2.

The Fairbanks North Star Borough has the benefit of steady growth and jobs through tourism, mining, oil field supply, and transportation hub. Oil revenues are at an all time high. Times are good, as they say, particularly if you reside in one of these chosen districts.

During the past few decades, government has spent billions of dollars in these areas of Alaska on the infrastructure required for these economies to prosper. The majority of those funds spent were on transportation infrastructure. Those areas of the State, which have been afforded reliable cost effective transportation have clearly prospered and reaped the economic benefits.

However, in one region of the State, things are very, very different.

Along the Yukon River there are well over 20 villages. Many of these have populations larger than several of the towns serviced by the State ferry system. The people and businesses in these villages have very limited options concerning travel and transportation. In most villages there are no options at all. The only "scheduled" transportation service available to these communities is by air transport. And of these towns on the Yukon River only three airports have runways and navigational aids capable of permitting heavy cargo or large passenger planes to land. There is not a single airport, town or village on the entire Yukon that has scheduled passenger jet service any longer. Most villages are serviced through an area hub which transfers passengers and cargo as necessary to maintain a minimum level of service. If you happen to be from the village of Nunam Iqua at the very mouth of the Yukon and want to get to Anchorage, you must first fly to Emmonak, then fly to Bethel, then onto Anchorage. A similar scenario unfolds when transporting freight: it costs \$1.65 cents per pound to ship ordinary goods from Anchorage to Kotlik, another village on the Lower Yukon. On the State ferry the cost of transporting the same goods the same distance is 9 cents per pound. A gallon of regular gas in towns serviced by state ferries is around \$3.00. On the Yukon River it is \$6.00 per gallon. A round trip passenger fare to Anchorage from the Lower Yukon is nearly \$1,000.00.

These exceptionally high costs are all associated with and due to the lack of infrastructure that is afforded and in place in most other areas of Alaska. There are no highways, railheads, or ports on the Yukon. As far as water transport, only one barge line provides unscheduled limited services to the Lower Yukon from the highway head at Nenana. That barge line clearly demonstrates just what effects a monopoly can have on the cost of goods and services. An example of this cost: to transport a pick-up truck from Nenana, to the town of Emmonak on the Lower Yukon, a distance of approximately 1,000 miles cost over \$5,000.00 on that barge line. To ship the same class vehicle from Bellingham, Washington to Valdez, Alaska, a distance of 1,500 miles via State Ferry costs \$450.00.

Page 3.

Down at the mouth of the Yukon our only means to transport goods is via air, which is cost prohibited most of the time as well as limited in capacity. This has unquestionably stagnated and prevented any substantial economic growth and now seriously threatens the only remaining cash economy on the lower river – commercial fishing. Because of this transportation issue, we can only carry out our commercial fisheries on a limited basis at best. Further compounding this problem is that fact that one of the only two air cargo companies servicing the lower river has recently upgraded to “modern” jet aircraft. Now we are faced with the fact that there will be less than half of the cargo lift available than in previous years, due to the fact the airstrips on the Lower Yukon are gravel and not suitable for jet aircraft landings.

We already have fisheries on the Lower and Middle Yukon that cannot be exploited in any manner due to the lack of cost efficient transportation. Ten years ago there were fish processing plants operating from the mouth of the Yukon all the way up and through the Middle Yukon. At one time, there were over a dozen fish processing plants on the Yukon River. Villages and their residents from the mouth all the way to Tanana were involved in commercial fishing. Residents from all the communities on the Middle and Lower Yukon had the benefit of in region employment. Over 900 limited entry fishing permits held by Alaskans were utilized in the Yukon fishery. Small business were established and built on the economy fueled by commercial fishing operations. It was truly the primary cash economy of the river. At one time the ex-vessel value of the Yukon Salmon fishery was over 15 million dollars.

It is quite a different story line today. Less than half the permit holders are able to fish due to lack of markets. The only significant fishery is taking place on the lower river, and it is clearly struggling to be competitive in the market place due to the extremely high cost of transporting product. Last season (2006) total landings netted barely 3.6 million dollars ex-vessel. There was a harvestable surplus of nearly three million chum salmon, unfortunately those fish could not be harvested to do the lack of efficient transportation to the market. Could they have been sold this would of contributed a minimum of over seven million additional dollars into the depressed economy of the Middle and Lower Yukon. There now are only two processing facilities operating on the entire river. The villages of Anvik, Kaltag, and Galena all have idled, moth balled processing facilities due to excessive transportation costs.

Page 4.

Governor Palin, there is a widely held belief and what many economists refer to as a Law of Economics:

All Economic Development Hinges On Cost Effective Transportation Access

There is another widely held belief, that which was first stated by a government official in the Knowles administration who toured the Lower Yukon. He referred to the economy in the villages along the river as "food stamp economies." Even today, State of Alaska web sites and tourist brochures warns travelers Yukon River villages of being "Third World like". These are the same philosophies that several legislators adhere to in their anti-rural Alaska rhetoric.

There truly is a very plain, basic reason the villages on the Yukon have sunk to the level this distinction symbolizes. There is no transportation infrastructure. Period. The villages on the Yukon are losing population, industry/business is stagnant or outright non-existent, and our traditional life style of commercial fishing is all but gone due to something as elementary as transportation.

Millions of pounds of seafood product is transported annually on State subsidized ferries. Not to mention the millions of dollars worth of other commercial goods transported cheaply via State ferries. Thousands of tourists are transported via the Alaska Marine Highway System. Railway depots and up-grades costing millions have been built just to handle tourist traffic. How much has been spent on docking facilities to support cruise ship traffic through out the State? Every highway in Alaska has been rebuilt or had major over hauls in the past 10 years.

What would happen to the towns in Southeast if you took away all their jet runways, ferry terminals, ocean vessel ports, and boat harbors. How long would the economy in these places last?

The "Official Mission Statement" of the Alaska Marine Highway System declares:

The mission of the Alaska Marine Highway System is to provide safe, reliable, and efficient transportation of people, goods and vehicles among Alaska communities, Canada and the "Lower 48," while providing opportunities to develop and maintain a reasonable standard of living and a high quality of life, including social, education and health needs.

Page 5.

Why is it the Yukon basin is treated so differently than other areas of the State? We certainly do not have "safe, reliable, efficient transportation" nor does it have the opportunity afforded other areas in Alaska "to develop and maintain a reasonable standard of living and high quality of life...."

HB 80 that Representative Salmon has introduced is the kind of infrastructure that is long, long overdue for the Yukon. Mr. Salmon has clearly introduced a bill which will seriously address and correct situations for the long term. It is a practical solution long needed, warranted and deserved by his constituents. Coming from the Yukon River village of Beaver, Mr. Salmon certainly realizes and understands far more than most legislators concerning what is required in an area of the state that has been long over looked, ignored, and neglected. We respect and appreciate his efforts. Our Association fully supports HB 80.

We feel you as Governor should exert your Executive Authority to endorse and fully support HB 80.

Additionally, we would appreciate the opportunity to discuss with you or your staff this very serious problem of transportation costs on the Yukon. It is at the point now that it is going to seriously disrupt what is left of our fisheries.

Sincerely:



William Charles
Chairman of the Board
Yukon Delta Fisheries Development Association

cc: Rep. Woodie Salmon - House District 6, Berney Richert, Jr., U.S. Dept. of Commerce Economic Development Administration, Steve Titus - State of Alaska, Dept. of Transportation and Public Facilities Northern Region, Rep. Richard Foster, Sen. Donald Olson, House Transportation Committee Members: Chairman - Rep. Kyle Johansen, Vice Chairman - Rep. Mark Neuman, Rep. Anna Fairclough, Rep. Craig Johnson, Rep. Vic Kohring, Rep. Mike Doogan

From:

02/02/2007 11:31 #088 P.001/001



Ruby Tribal Council
Agnes M. Wright Bldg
P.O. Box 68210
Ruby, Alaska 99768
Phone: 907-468-4479
Fax: 907-468-4474

received
2/2/07

FACSIMILE

State of Alaska
Honorable Representative Woodie Salmon
State Capitol, Room 114
Juneau, AK 99801-1182

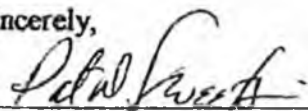
Fax: 907-465-2197

February 02, 2007

Dear Honorable Salmon,

On behalf of the community of Ruby we support your efforts to introduce a legislative bill to consider and study the expansion of the marine highway to include the Yukon River and its tributaries. The waterways are our transportation highways both winter and summer and a study would greatly enhance our collective decisions to address rural Alaska marine highway needs as they do in other parts of the State.

Sincerely,


Pat D. Sweetsir, Tribal Administrator

Cc/Fax: Honorable Senator Albert Kookash
1-907-465-2827

Honorable Woodie Salmon
House of Representatives
Juneau, AK 99801
[Representative Woodie Salmon@legis.state.ak.us](mailto:Representative_Woodie_Salmon@legis.state.ak.us)

April 21, 2007

I have been advised by both Representative Woodie Salmon and Senator Albert Kookesh that HB 80 concerning a study of a ferry transportation system on the Yukon River and other Interior waterways is being considered for hearings. I am delighted to hear this which should add more and newer information to a study that was done many years ago, somewhere in the late sixties.

It is appropriate to study less expensive ways for Interior transportation to become more effective. With the extremely high price of gasoline, especially aviation gasoline in rural Alaska, a new less expensive mode of transportation should certainly be considered. The Southern part of the State enjoys very large subsidies for a marine transportation system which ties together once very isolated communities. Should we not at least try to bring aid to a part of Alaska that needs the same remedy that other parts of Alaska now enjoy?

I also believe that the former study touched on hovercraft (air cushioned vehicles) to facilitate travel both summer and winter.

Even though HB 80 is only to study the feasibility of such a project, it never the less is an extremely important first step.

Please use this for public testimony as I will be out of the State on the 26th of April.

Hugh Fate
Retired State Representative

750 Farmers Loop Road
Fairbanks, AK 99712

907 457 6860

CS FOR HOUSE BILL NO. 80(TRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE TRANSPORTATION COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES SALMON AND CISSNA

A BILL

FOR AN ACT ENTITLED

1 "An Act directing preparation of a feasibility study report relating to expanding the
2 Alaska marine highway system to Yukon and Kuskokwim River locations."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 **FEASIBILITY STUDY.** (a) The Department of Transportation and Public Facilities
7 shall prepare a study on the feasibility of expanding the Alaska marine highway system to
8 Yukon and Kuskokwim River locations.

9 (b) In conducting the study required by (a) of this section, the department shall
10 consider, but is not limited to, studying the feasibility of using the latest vessel technology,
11 including the Exploration Craft, a multipurpose vessel that is designed to be capable of
12 efficient performance at high speed, in ice, and in shallow water, and that will be used by the
13 Matanuska-Susitna Borough.

14 (c) Unless the department includes the study required by this section in a

1 comprehensive long-range plan for the development and improvement of the Alaska marine
2 highway system under AS 19.65.011 that is delivered to the legislature during 2008, the
3 department shall prepare the feasibility study required by this section and deliver it to the
4 legislature not later than February 1, 2008.

25-LS0360K
Kane
4/26/07

CS FOR HOUSE BILL NO. 80(TRA)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FIRST SESSION**

BY THE HOUSE TRANSPORTATION COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES SALMON AND CISSNA

A BILL

FOR AN ACT ENTITLED

1 "An Act directing preparation of a feasibility study report relating to expanding the
2 Alaska marine highway system to Yukon and Kuskokwim River locations."

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1 comprehensive long-range plan for the development and improvement of the Alaska marine
2 highway system under AS 19.65.011 that is delivered to the legislature during 2008, the
3 department shall prepare the feasibility study required by this section and deliver it to the
4 legislature not later than [February 1, 2008.]

June 30, 2008

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB80-DOT-PD-4-24-07
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
Title Ferry Service, Incl. Yukon/Kusksokwim RDU Planning
Component Statewide Program Development
Sponsor Reps Salmon, Cissna
Requester H. TRA Component No. 2762

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

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Grants & Claims						
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TOTAL OPERATING	400.0	600.0	0.0	0.0	0.0	0.0

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

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1003 GF Match						
1004 GF	400.0	600.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	400.0	600.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

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

The Department will conduct a study of the feasibility of providing ferry service to communities on the Yukon River from the mouth to Eagle and on the Kuskokwim River from the mouth to McGrath. This study will identify infrastructure needs and regulatory issues for each community as well as options for types of service and frequency and their associated costs. This study will be done following the procedures set out in 17AAC05.130 - 145 for development of transportation plans to insure it can be incorporated into the Statewide Transportation Plan. This includes significant public participation. It is estimated that it will take two years to complete the study. The Department will contract out this project and use current staff to oversee the project.

Prepared by: Mary Siroky Phone 465-4772
Division Commissioner's Office Date/Time 4-24-07; 12:00pm
Approved by: John MacKinnon, Deputy Commissioner Date 4/24/2007
Agency Department of Transportation and Public Facilities

House Transportation

April ~~26~~²⁷, 2007

- This afternoon the committee has 3 bills scheduled. HB 80, HB 106, and HB 180. The sponsor of HB 180 has asked that it not be heard so that bill hearing is cancelled.

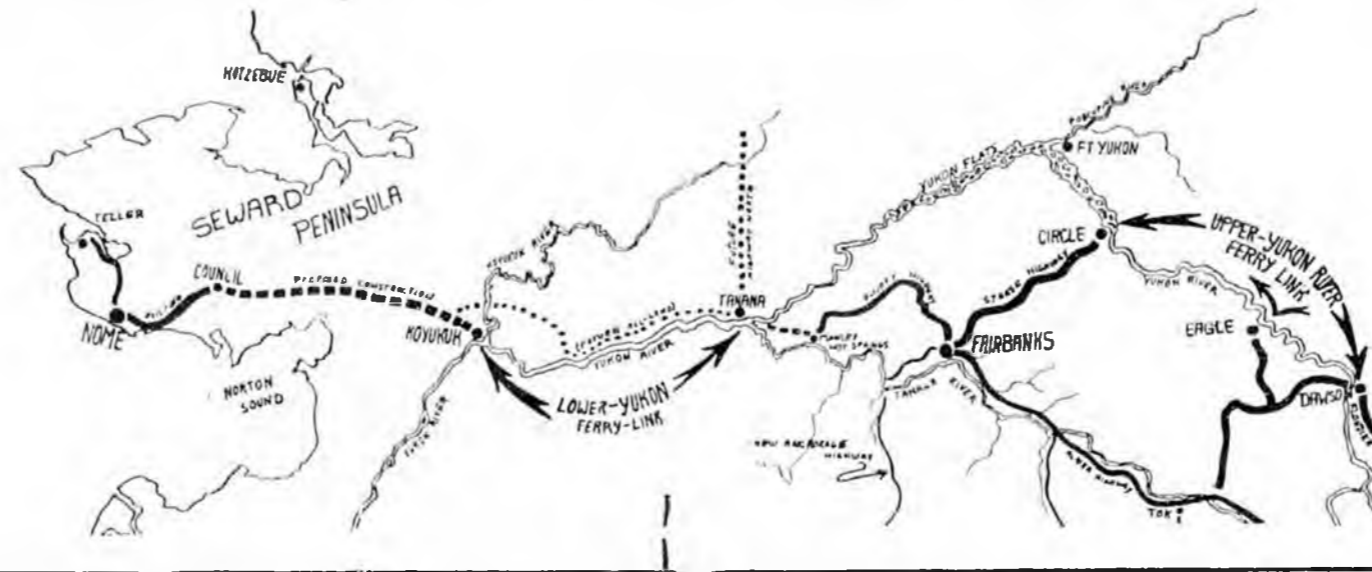
HB 80 – Representative Salmon

- The first bill up is HB 80, sponsored by Rep. Salmon. He will introduce the original bill to the committee.
- There is a CS. Is there a motion to bring the CS before the committee. My staff will review the changes in the CS.
- Testimony from DOT personnel (Director of AMHS, Dennis Hardy / Jeff Otteson)
- Public Testimony
- Is there a motion to move the bill?

HB 106 – Governor Palin Through House Rules Committee

- Is there anyone here to present the bill for the Governor?
- Adjourn?

A New Highway Concept-- North, East, West, via Yukon Ferry Links



The Lower-Yukon Ferry

The Lower-Yukon River Ferry would create a vital link in the eventual "all-land route" to Nome and northwest Alaska, bringing that long-sought and elusive highway into being years earlier and at a fraction of initial cost.

The plan calls for the continuation of the Elliott Highway (out of Fairbanks) 50 miles onward to the Yukon at Tanana.

On the Nome end, the Nome-Council Highway would be built 230 miles on to Koyukuk Village on the Yukon River following the exact route of the eventual entire land route.

The Lower-Yukon Ferry link would then tie these two highways together along 200 miles of the Yukon River between Tanana and Koyukuk Village with six trips a week service.

Such a fast ferry costing less than \$500,000 could bring this highway into a "functioning reality" years earlier, while funds and construction were pursued for eventual continuation of the all-land route.

The greatest block to the all-land Nome Highway has been cost in excess of \$100 Million. The plan political reality has always been the fact that Fairbanks could not obtain this grant share of State Federal Highway funds.

A temporary reasonable alternative therefore seemed in order if we expect to progress in the near future. As opposed to the \$100-Million all-land route, the highway west using the initial ferry link would cost less than \$10 Million, suddenly bring the project within the realm of possibility.

The Lower-Yukon ferry would provide Fairbanks with another highway route that "goes somewhere" within the foreseeable future. It would allow us to penetrate the mineral-rich areas of the Kobuk and Seward Peninsula, as well as the Yukon and Koyukuk Valleys.

Fast, efficient modern ferries would have significant tourist impact, and would mean \$20 Million in bridges would temporarily be avoided across the Yukon and Koyukuk Rivers, as well as \$40 Million in highway construction.

The Lower-Yukon link is not a substitute for an eventual all-land route. It simply recognizes the tremendous problems of such an immediate route and provides a temporary solution to begin development earlier.

An Idea, A Plan, A Great Potential For a Fairbanks Highway Cross-Roads In Interior and Northwest Development

EDITOR'S NOTE: The Yukon Ferry Program was introduced by Rep. Bradner, Orbeck, Miller, and Young, in an effort to develop an overall future highway plan for Fairbanks and Interior Alaska.

An area must have transportation to grow; air routes, railroads, and highways, feeding commerce of an entire region into large commercial service centers such as Fairbanks.

Fairbanks is presently an air center, and there is the distant possibility of a railroad north. But Fairbanks also presently has only one main highway of access—The Richardson. Our other highways are all terminal roads ending "nowhere" and not fulfilling their purpose!

The problem of growth and transportation development is always money—dollars with which to build, aid, and initiate growth.

The bitter battles of securing funds means projects and "through routes" are years in coming about; as sections of the State must "fight" other sections for "their share."

We have been stalled in our development highway efforts to the North, East and West. The Upper-Yukon and Lower-Yukon Ferry

proposals are meant to offer a unique solution for making Fairbanks a highway center years earlier and at an amazing low cost.

FOUR HIGHWAYS

By 1972 we hope to add the new Fairbanks-Nenana-Anchorage Highway as a new link.

That highway will be our second access route—and the addition of the Steese-Upper-Yukon Ferry route about that 1972 date, and shortly thereafter the Northwest-Lower-Yukon ferry link, will bring Fairbanks commercial highway access routes from the present one to four.

Upper-Yukon

The Upper-Yukon Ferry at almost no cost to the state is designed to create the Steese Highway into a main highway feeding tourists and development into the backdoor of Fairbanks from the Yukon.

Lower-Yukon

The Lower-Yukon ferry link will give Fairbanks a highway west to the mineral-rich Seward Peninsula,

The Upper-Yukon Ferry

The Upper-Yukon Ferry would create both a tourist attraction of outstanding proportion and a basic new highway connection to the outside world for Fairbanks over the Steese Highway.

The Steese Highway presently terminates at Circle City on the Yukon River, and is not a through connection to any population center. It is a terminal highway—incomplete!

However, a seasonal fast ferry service along 285 miles of the beautiful Upper-Yukon River could tie the Steese Highway to the Taylor Highway, at Eagle, and the Klondike Highway at Dawson City.

This 285-mile link would convert the Steese Highway into a "through route"—a brand new highway arterial for Fairbanks. The traveler could drive the Steese Highway, take the ferry to Dawson City, drive the Klondike Highway to Whitehorse, and then go down the Alaska Highway or outside over the Southeastern ferries.

Such a ferry could either be state-owned, or due to the outstanding tourist potential it might be privately owned with initial state aid.

In years past the White Pass and Yukon operated steamboats over

this route in what was a world-famous trip until World War II brought its end.

The ferry run between Circle, Eagle, and Dawson would follow 285 miles of the Yukon River bordered by towering bluffs and cliffs, and often called the Danube of America.

The proposed uniquely designed ferry could make the downstream run in less than 18 hours, and the upstream run in under 30 hours. The vessel could carry approximately 50 vehicles, including both freight vans and tour busses, and 150 passengers with stateroom and dining accommodations.

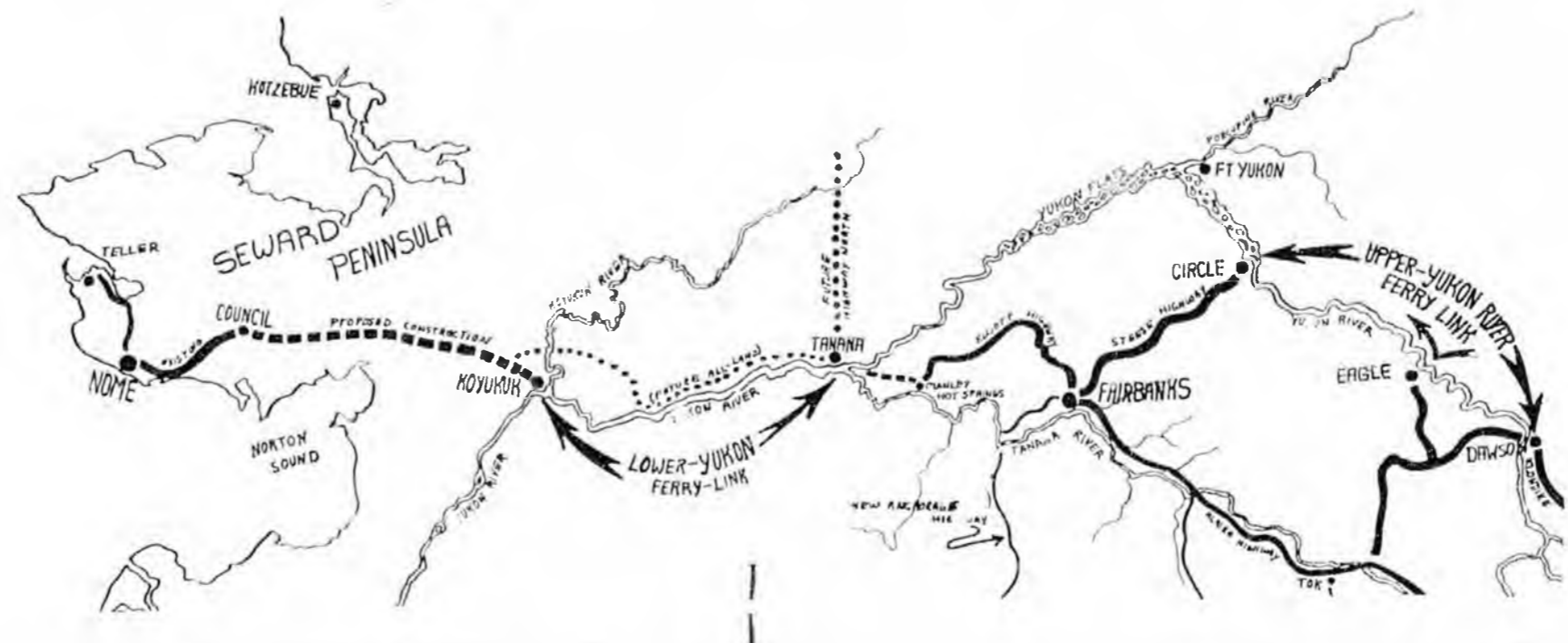
Rates would be comparable to the present southeastern system.

The Upper-Yukon Ferry would tie three existing low-use highways together without a mile of new highway needing to be built, and would turn the Steese Highway into a meaningful route.

And such a ferry link could cost less than \$500,000.

The Upper-Yukon Ferry would reclaim the past world fame of the White Pass Steamboats as a tourist attraction, it would open up the beautiful upper-Yukon River, create a new access highway for Fairbanks, and at a fantastically minimal cost.

A New Highway Concept-- North, East, West, via Yukon Ferry Links



The Lower-Yukon Ferry

The Lower-Yukon River Ferry would create a vital link in the eventual "all-land route" to Nome and northwest Alaska, bringing that long-sought and elusive highway into being years earlier and at a fraction of initial cost.

The plan calls for the continuation of the Elliott Highway (out of Fairbanks) 59 miles onward to the Yukon at Tanana.

On the Nome end, the Nome-Council Highway would be built 240 miles on to Koyukuk Village on the Yukon River following the exact route of the eventual entire land route.

The Lower Yukon Ferry link would then tie these two highways together along 200 miles of the Yukon River between Tanana and Koyukuk Village with six trips a week service.

Such a fast-ferry costing less than \$500,000 could bring this highway into a "functioning reality" years earlier, while funds and construction were pursued for eventual continuation of the all-land route.

The greatest block to the all-land Nome Highway has been cost — in excess of \$100-Million. The plain political reality has always been the fact that Fairbanks could not obtain this giant share of State Federal Highway funds.

A temporary reasonable alternative therefore seemed in order if we expect to progress in the near future. As opposed to the \$100-Million all-land route, the highway west using the initial ferry link would cost less than \$40-Million, suddenly bring the project within the realm of possibility.

The Lower-Yukon ferry would provide Fairbanks with another highway route that "goes somewhere" within the foreseeable future. It would allow us to penetrate the mineral-rich areas of the Kobuk and Seward Peninsula, as well as the Yukon and Koyukuk Valleys.

Fast, efficient modern ferries would have significant tourist impact, and would mean \$20 Million in bridges would temporarily be avoided across the Yukon and Koyukuk Rivers, as well as \$40-Million in highway construction.

The Lower-Yukon link is not a substitute for an eventual all-land route. It simply recognizes the tremendous problems of such an immediate route and provides a temporary solution to begin development earlier.

An Idea, A Plan, A Great Potential For a Fairbanks Highway Cross-Roads In Interior and Northwest Development

EDITOR'S NOTE: The Yukon Ferry Program was introduced by Rep. Bradner, Orbeck, Miller, and Young in an effort to develop an overall future highway plan for Fairbanks and Interior Alaska.

An area must have transportation to grow; air routes, railroads, and highways, feeding commerce of an entire region into large commercial service centers such as Fairbanks.

Fairbanks is presently an air center, and there is the distant possibility of a railroad north. But Fairbanks also presently has only one main highway of access — The Richardson. Our other highways are all terminal roads ending "nowhere" and not fulfilling their purpose!

The problem of growth and transportation development is always money — dollars with which to build, aid, and initiate growth.

The bitter battles of securing funds means projects and "through routes" are years in coming about as sections of the State must "fight" other sections for "their share."

We have been stalled in our development highway efforts to the North, East, and West. The Upper-Yukon and Lower-Yukon Ferry

proposals are meant to offer a unique solution for making Fairbanks a highway center years earlier and at an amazing low cost.

FOUR HIGHWAYS

By 1972 we hope to add the new Fairbanks-Nenana-Anchorage Highway as a new link.

That highway will be our second access route and the addition of the Steese-Upper Yukon Ferry route about that 1972 date, and shortly thereafter the Northwest-Lower Yukon ferry link, will bring Fairbanks commercial highway access routes from the present one to four.

Upper-Yukon

The Upper-Yukon Ferry at almost no cost to the state is designed to create the Steese Highway into a main highway feeding tourists and development into the backdoor of Fairbanks from the Yukon.

Lower-Yukon

The Lower-Yukon ferry link will give Fairbanks a highway west to the mineral-rich Seward Peninsula,

The Upper-Yukon Ferry

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Governor Praises Shipyard For Achievements
Cutting edge of technology starting in Ketchikan
By Dick Kauffman

July 23, 2006
Sunday

Ketchikan, Alaska - Referring to the new \$28 million high-tech vessel the Alaska Ship and Drydock has been chosen to build for the Matanuska-Susitna Borough, Governor Frank H. Murkowski said, "It's pretty exciting. The cutting edge of technology is starting out right here in Ketchikan."

Speaking to employees at the Alaska Ship and Drydock recently during a visit to Ketchikan, Governor Murkowski said constructing this unique loading and unloading vessel could really establish - particularly with the military - an opportunity. "The fact that you folks are given the challenge of putting this together is certainly a testimony to your capabilities and expertise," said Murkowski.



Governor Murkowski & Rep. Jim Elkins at the Schoenbar Middle School Project site, July 14th. In addition to visiting the Alaska Ship and Drydock, Governor Murkowski also toured the on-going Schoenbar Middle School construction project, and attended a community barbecue at the local A&P Market.

Photo By Dick Kauffman

The vessel that Murkowski was referring to is the new high-tech shape-shifting vessel the shipyard will be constructing for the Matanuska-Susitna Borough. The construction is funded by the Office of Naval Research and the United States Navy will be working with the Matanuska-Susitna Borough to test the vessel by putting it to work ferrying workers and materials in the construction of the Knik Arm Bridge.

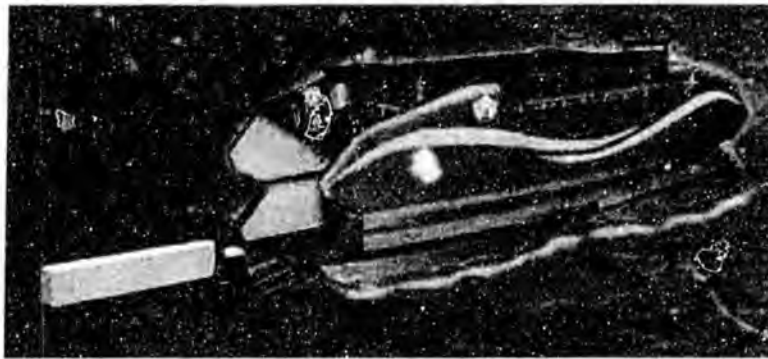
Matanuska-Susitna Borough selected Lockheed Martin Corporation as the contractor to engineer and complete the preliminary design of the vessel and Guido Perle & Associates is completing the final design of the vessel. Alaska Ship and Drydock in Ketchikan was selected to build this high-tech "barge" and "high speed" mode vessel.

The design in this new ferry incorporates commercial lift boat technology that will allow the ferry to change from the SWATH mode to a barge mode. The boat will be able to lower and raise its center deck and in the barge mode it could be used as a landing craft and would require little

infrastructure for docking.

In the barge mode, the vessel operates with as little as 3 feet of draft, while in the high-speed mode, the vessel may operate in sea state 4 and travel at 20+ knots. The vessel will demonstrate new naval technologies that may be used in the next generation of military landing craft according to project information.

Among the assortment of benefits and uses of the new ferry listed by the Matanuska-Susitna Borough, the ferry will shorten commute time between Port MacKenzie and Anchorage; brings high-tech manufacturing jobs to Alaska; would provide emergency response capabilities to support the Ted Stevens International Airport; and would be used to ferry workers and materials in the construction of the Knik Arm Bridge.



Barge mode
Graphic courtesy Matanuska-Susitna Borough

Known as an E-craft (Expeditionary Craft) by the military, the Lockheed Martin design calls for twin submerged hulls supported by short struts which should perform well in a variety of sea conditions. The vessel is designed to

push through broken ice and could break up to 2 feet of ice. This waterplane area twin hull technology is also known as SWATH, an acronym meaning Small-Waterplane-Area Twin-Hull.

The VariCraft, the name given to the design by Lockheed Martin, will accommodate about 20 vehicles and 100 passengers. Crossings between Point MacKenzie and Ship Creek in Anchorage would take approximately 25 minutes including loading and unloading. The vessel would be under construction this summer at the Ketchikan shipyard and is expected to be in operation by late 2007.

When asked by the Governor when work was expected to begin on the new ferry Doug Ward, project manager of the Ketchikan shipyard, said they would be starting the project soon with the final designs expected in September. Guido Perle & Associates is completing the final design of the vessel.

Murkowski said. "I can't tell you how much interest there is in this vessel

you folks will build." He said the Ketchikan shipyard is having an impact all over the state.

"We'll be watching this pretty closely. Hopefully everybody is convinced that it will work. When you depart from a design and do something entirely different there are certain risks to it," said Murkowski.

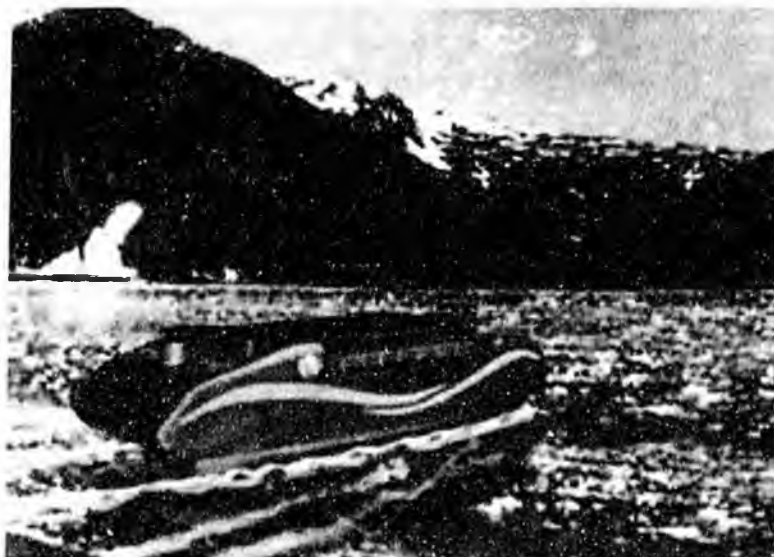
"You folks are doing extraordinarily well and we're very proud of you," said Governor Murkowski.

This is the second marine vessel that the Ketchikan Shipyard will build. The first vessel was the ferry Oral Freeman for the Ketchikan Gateway Borough.

When asked by the Governor the number of employees working at the shipyard Doug Ward, project manager of the Ketchikan shipyard, said, "We're running a winter time average of a little over 100 workers now." He said in five to six years when they are filled out they would triple that number to 300 to 350 workers.

Another area address by the Governor was the new dry dock. In August 2002, AIDEA was awarded a \$5 million grant from the Economic Development Agency (EDA) for adding a second ship lift. Ward said Ketchikan Ship & Drydock's new 2,500-ton floating dry-dock will be built by a Chinese firm. The new floating dry-dock will provide the Ketchikan Ship & Drydock, additional shiplift capacity on the drydocks and will allow for the transfer of ships onto land and into a covered facility.

Bids for the new dry dock were opened in June 2005 and January 2006 and rejected both times. The Alaska Industrial Development and Export Authority (AIDEA) and the Penglai Bohai Ship Co. finalized a \$9.2 million deal in June 2006. The new dry-dock is



SWATH mode
Graphic courtesy Matanuska-Susitna Borough

expected to be delivered by the end of July 2007. Funding for the project is a combination of state and federal money.

The AIDEA Development Plan also includes options for future growth at the facility. The state-owned shipyard has other planned improvements that include: a covered fabrication area, employee facilities, dry-dock cover and office space, upgrades to support vessel repair activities, upland vessel rail transport system, vessel hull washing system, pier-side crane, and various material handling and storage additions.

According to AIDEA, the \$40 million of improvements proposed in the most recent Development Plan will increase shipyard efficiency and production capacity and improve services, ultimately creating a commercially viable shipyard and increased employment for the long-term.

The Governor said, "I remember when the Legislature first put this concept together to have our own shipyard in Ketchikan". He said, "Of course at that time it was underfunded and they didn't have the expertise and management capability or for that matter, the dedicated crafts persons like you are."

When the shipyard was first established in Ketchikan in the 1980's, the Alaska Department of Transportation (DOT/PF) spent approximately \$38 million to construct the shipyard facility to be capable of providing maintenance for the Alaska Marine Highway System. At that time, under an agreement with the state, the City of Ketchikan subleased operation and management of the shipyard to private contractors. Each operator experienced operational and financial difficulties and in 1991, the state canceled its lease with the City of Ketchikan and closed the shipyard facility for two years.

In November 1993, the Alaska Department of Transportation & Public Facilities (DOT/PF) awarded an operating contract to reopen the facility and to manage Alaska Marine Highway System overhaul projects. In July 1997, DOT/PF transferred title of the facility to Alaska Industrial Development and Export Authority (AIDEA) and the Department of Transportation committed to perform, on average, a minimum of \$300,000 a year of work at the Ketchikan Shipyard for ferry overhauls and refurbishment for a period of three years.

AIDEA, the City of Ketchikan and the Ketchikan Borough negotiated an agreement that described each party's contributions to supporting the shipyard. Recently a new long term intergovernmental agreement among AIDEA, the City of Ketchikan and the Ketchikan Gateway Borough was executed in September 2005. A new shipyard operating agreement with Alaska Ship and Drydock went into effect December 1, 2005.

Murkowski said the whole community supports the shipyard. It's taken a long time coming. The important thing is that the Alaska Ship and Drydock is competitive. And if you're not competitive, you don't get to work said Murkowski.

"It's a pretty exciting time to be in Alaska. The state's going to start moving

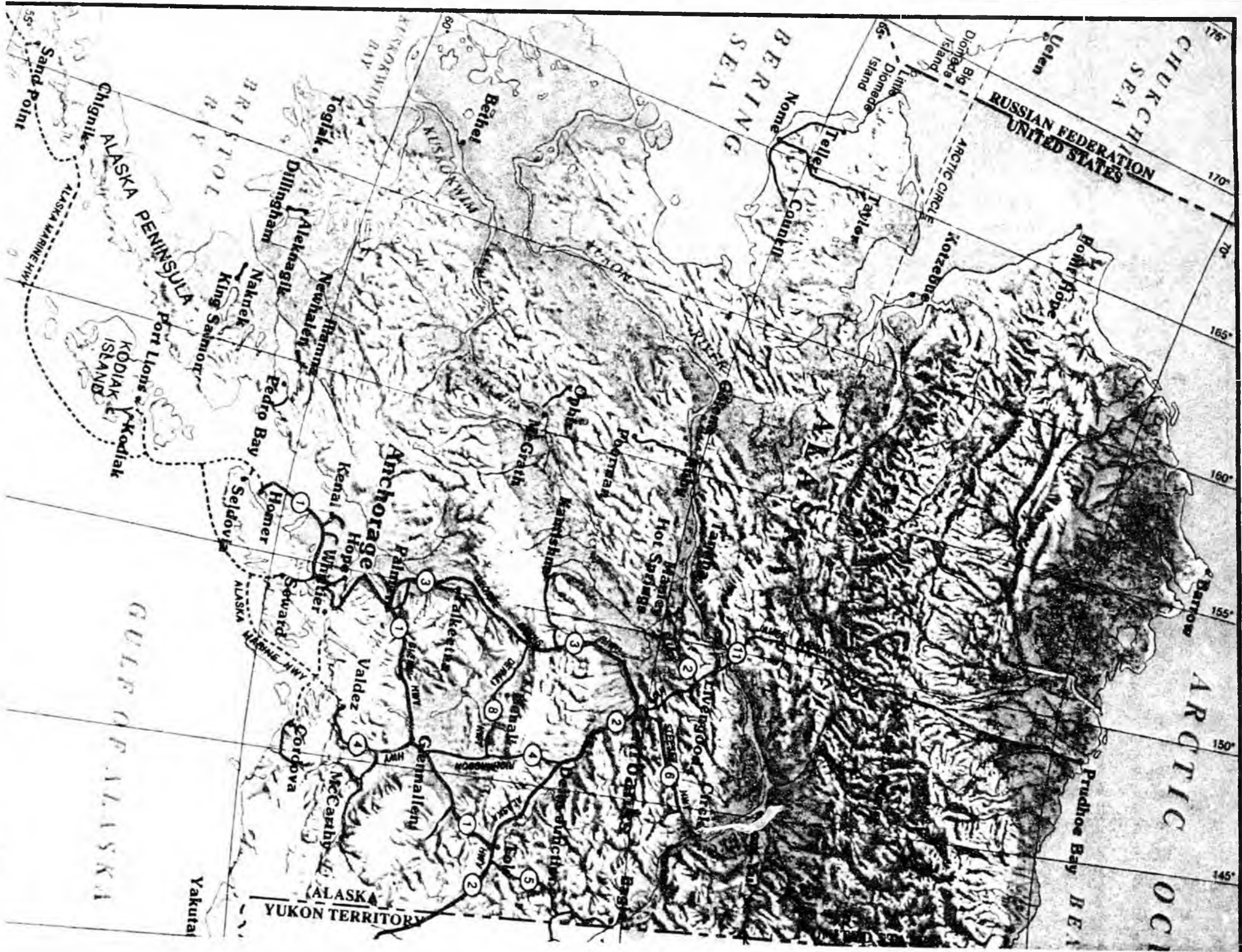
and we're going to do it with solid, responsible resource development," said Murkowski. To the Alaska Ship & Drydock employees Murkowski said, "You folks are going to play a major part of it down in this part of the country."

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SitNews
Stories In The News
Ketchikan, Alaska



Revisor's notes. Formerly AS 19.05.130. Re-numbered in 1981.

Reorganized in 1986 to alphabetize the defined terms.

NOTES TO DECISIONS

Maintenance. — Maintenance as defined in paragraph (9) [now (10)] refers to some type of active work undertaken to preserve the utility facility. Johnson v. State, 636 P.2d 47 (Alaska 1982).

right-of-way across United States military base. Shultz v. Department of Army, 96 F.3d 1222 (9th Cir. 1996), cert. denied, 523 U.S. 1072, 118 S. Ct. 1511, 140 L. Ed. 2d 665 (1998).

Rights-of-way across military bases. — Because defendant did not sustain his burden to factually establish a continuous route or a right-of-way under Alaska common law, he was not entitled to use alleged

Applied in State v. T'Anson, 529 P.2d 188 (Alaska 1974); Ault v. State, 688 P.2d 951 (Alaska 1984).

Quoted in State v. Lewis, 785 P.2d 24 (Alaska 1990).

Sec. 19.45.002. Penalties. A person who violates a provision of AS 19.05 — AS 19.25, other than a provision of AS 19.25.080 — 19.25.180, is guilty of a misdemeanor and upon conviction is punishable by a fine of not less than \$10 nor more than \$500, or by imprisonment in jail for a period not to exceed one year, or by both. (§ 7 art VII title II ch 152 SLA 1957; am § 6 ch 10 SLA 1997)

Revisor's notes. — Formerly AS 19.05.140. Re-numbered in 1981.

effective July 20, 1997, substituted "a provision" for "any provision," and inserted ", other than a provision of AS 19.25.080 — 19.25.180," near the beginning.

Effect of amendments. — The 1997 amendment, Sec. 19.45.015. [Renumbered as AS 19.10.270.]

Chapter 60. Ferry Terminal Facilities.

Sec. 19.60.010. — 19.60.070. [Renumbered as AS 19.65.030(a) — (g).]

Chapter 65. Alaska Marine Highway System.

Article

- 1. Comprehensive Plan, Vessels, and Facilities (§§ 19.65.011 — 19.65.035)
- 2. Alaska Marine Highway System Fund and Budget (§§ 19.65.050 — 19.65.100)

Article 1. Comprehensive Plan, Vessels, and Facilities.

Section

- 11. Comprehensive long-range plan
- 20. Naming of vessel or facility
- 30. Acquisition and maintenance of ferry terminal site facilities

Section

- 35. Transportation of members of the Alaska organized militia

Cross references. — For provisions concerning animals on state ferries, see AS 03.53.010.

1992
1997
2002
2007

Sec. 19.65.010. Duty station or port change for employees of the Alaska marine highway system. [Repealed, § 52 ch 59 SLA 1982.]

Sec. 19.65.011. Comprehensive long-range plan. The Department of Transportation and Public Facilities shall prepare a comprehensive long-range plan for the development and improvement of the Alaska marine highway system and shall revise and update the plan at least every five years. The department shall submit the comprehensive long-range plan and revisions and updates of the plan to the legislature. (ch 94 SLA 1992)



ALASKA STATE LEGISLATURE

REPRESENTATIVE WOODIE SALMON

HB 80: SPONSOR STATEMENT

“An Act expanding the Alaska marine highway system to Yukon and Kuskokwim River Locations and relating to the duty of the Department of Transportation and Public Facilities to construct, purchase, or lease ferry terminal facilities.”

HB 80 requires the State Department of Transportation and Public Facilities to study the feasibility of a state ferry system on the Yukon and Kuskokwim Rivers.

Alaskan communities along the Yukon and Kuskokwim Rivers would benefit greatly from a seasonal ferry service for transporting passengers, vehicles and cargo. Ferry service with regular schedules would provide an economic boost to villages by providing tourists with a convenient means of traveling through the area. The new jobs created would also help the economy and directly benefit the communities. In addition, a ferry system would be a reliable and safe alternative to traveling the rivers independently in smaller boats, and provide a greater sense of connectedness and community among villages.

Currently, summertime barge service up and down the Yukon and Kuskokwim Rivers are slow and infrequent. Many communities will only experience one or two barge deliveries per year. With regular ferry service, local residents of villages along the Yukon and Kuskokwim Rivers would have another option for shipment of groceries and supplies, which could help lower prices.

A century ago, these rivers were primary routes of transportation linking interior communities during the gold rush era. A revitalization of these waterways would surely provide immediate benefits to locals, and encourage growth of tourism and a stronger economy for future generations of Alaskans. A feasibility study is a positive first step in this process. I respectfully ask for your support.

Thank you.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB80-DOT-PD-4-24-07
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DOT&PF
 Title Ferry Service, Incl. Yukon/Kuskokwim RDU Planning
 Component Statewide Program Development
 Sponsor Reps Salmon, Cissna
 Requester H. TRA Component No. 2762

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual	400.0	600.0				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	400.0	600.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	400.0	600.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	400.0	600.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2007) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Department will conduct a study of the feasibility of providing ferry service to communities on the Yukon River from the mouth to Eagle and on the Kuskokwim River from the mouth to McGrath. This study will identify infrastructure needs and regulatory issues for each community as well as options for types of service and frequency and their associated costs. This study will be done following the procedures set out in 17AAC05.130 - 145 for development of transportation plans to insure it can be incorporated into the Statewide Transportation Plan. This includes significant public participation. It is estimated that it will take two years to complete the study. The Department will contract out this project and use current staff to oversee the project.

Prepared by: Mary Siroky Phone 465-4772
 Division: Commissioner's Office Date/Time 4-24-07; 12:00pm
 Approved by: John MacKinnon, Deputy Commissioner Date 4/24/2007
 Agency: Department of Transportation and Public Facilities

Honorable Woodie Salmon
House of Representatives
Juneau, AK 99801
Representative_Woodie_Salmon@legis.state.ak.us

April 21, 2007

I have been advised by both Representative Woodie Salmon and Senator Albert Kookesh that HB 80 concerning a study of a ferry transportation system on the Yukon River and other Interior waterways is being considered for hearings. I am delighted to hear this which should add more and newer information to a study that was done many years ago, somewhere in the late sixties.

It is appropriate to study less expensive ways for Interior transportation to become more effective. With the extremely high price of gasoline, especially aviation gasoline in rural Alaska, a new less expensive mode of transportation should certainly be considered. The Southern part of the State enjoys very large subsidies for a marine transportation system which ties together once very isolated communities. Should we not at least try to bring aid to a part of Alaska that needs the same remedy that other parts of Alaska now enjoy?

I also believe that the former study touched on hovercraft (air cushioned vehicles) to facilitate travel both summer and winter.

Even though HB 80 is only to study the feasibility of such a project, it never the less is an extremely important first step.

Please use this for public testimony as I will be out of the State on the 26th of April.

Hugh Fate
Retired State Representative

750 Farmers Loop Road
Fairbanks, AK 99712

907 457 6860

From:

02/02/2007 11:31 #088 P.001/001



Ruby Tribal Council
Agnes M. Wright Bldg
P.O. Box 68210
Ruby, Alaska 99768
Phone: 907-468-4479
Fax: 907-468-4474

received
2/2/07

FACSIMILE

State of Alaska
Honorable Representative Woodie Salmon
State Capitol, Room 114
Juneau, AK 99801-1182

Fax: 907-465-2197

February 02, 2007

Dear Honorable Salmon,

On behalf of the community of Ruby we support your efforts to introduce a legislative bill to consider and study the expansion of the marine highway to include the Yukon River and its tributaries. The waterways are our transportation highways both winter and summer and a study would greatly enhance our collective decisions to address rural Alaska marine highway needs as they do in other parts of the State.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pet D. Sweetsir".

Pet D. Sweetsir, Tribal Administrator

Cc/Fax: Honorable Senator Albert Kookash
1-907-465-2827



District No. 1 - Marine Engineers Beneficial Association (AFL-CIO)

Ben Goldrich
Representative

HAND DELIVERED

②

February 27, 2007

Representative Woodie Salmon
Alaska State Legislature
State Capitol - Room 114
Juneau, Alaska 99801

Re: House Bill 80

Dear Representative Salmon:

I commend you and Representative Cissna for introducing House Bill 80, an act that would expand the Alaska Marine Highway System to the Yukon and Kuskokwim Rivers. The first step in making this proposal a reality is to study the possible marine operations on the rivers, as is contemplated in your bill.

It is conceivable that ferry operations might also be feasible on the Stikine River and I urge you to work with your legislative colleagues to possibly expand the scope of the legislation. As you know, there was significant maritime trade on the Yukon, Kuskokwim and Stikine Rivers well into the latter part of the last century. Studying and possibly providing future ferry operations on these magnificent rivers is in the best tradition of our state.

On behalf of the many Marine Engineers' Beneficial Association (MEBA) members I represent in Alaska, I thank you for introducing this legislation. Please all on me if I can be of any assistance in advancing the bill.

Very Truly Yours,

Ben Goldrich,
MEBA Alaska Representative

Copy: Bud Jacque, Executive Vice-President (Via Fax)
Don Kubley, Legislative Liaison (Via Fax)



Yukon Delta Fisheries Development Association

1016 West Sixth Avenue • Suite 301 • Anchorage • AK 99501

Tel: (907) 644-0326 Fax: (907) 644-0327

April 23, 2007
At Anchorage, Alaska

Dear Governor Palin:

We are addressing this correspondence to you out of concern and our involvement with the issues and problems confronting not only the six member communities of Yukon Delta Fisheries Development Association, Grayling, Alakanuk, Kotlik, Mountain Village, Nunam Iqua, and Emmonak, but all of the villages on the Yukon River.

Representative Woodie Salmon has introduced and sponsored House Bill 80.

Title on this Bill reads: "An Act expanding the Alaska Marine Highway system to Yukon and Kuskokwim locations and relating to the duty of the Department of Transportation and Public Facilities to construct, purchase, or lease ferry terminal facilities."

Governor Palin, as you are aware there is already in existence a long established State Ferry. The Alaska Marine Highway system has been operating year-round since 1963. It currently services 32 communities in Southeast Alaska, Southwest Alaska, as well as the Alaska Peninsula, and Aleutian Islands. It benefits villages as small as the Aleutian town of False Pass with a resident population of 64 people. It provides a vital link to highways, railheads, and ports that connects Alaska and the Lower 48. It is duly understood in these communities that without the ferry system it would be extremely difficult if not outright impossible for these towns and villages to sustain an existence. The Alaska Marine Highway System has become that essential piece of infrastructure that enables these towns to continue their traditional role in Alaska. People and industry in these serviced communities rely on the ferry system as a dependable, safe, and economically efficient means of transporting goods, cargo, and people.

Currently, most areas in the State are in the midst of unprecedented economic growth. The Mat-Su Valley is annually setting records for population growth. A gas pipeline deal is being forged through your personal efforts, which will certainly bring enormous prosperity to the Railbelt. Red Dog mine has dramatically strengthened the economy of the Northwest Arctic Borough to the benefit of the residents of that district. Southeast Alaska is enjoying a strong growing economy via tourism and commercial fishing.

Page 2.

The Fairbanks North Star Borough has the benefit of steady growth and jobs through tourism, mining, oil field supply, and transportation hub. Oil revenues are at an all time high. Times are good, as they say, particularly if you reside in one of these chosen districts.

During the past few decades, government has spent billions of dollars in these areas of Alaska on the infrastructure required for these economies to prosper. The majority of those funds spent were on transportation infrastructure. Those areas of the State, which have been afforded reliable cost effective transportation have clearly prospered and reaped the economic benefits.

However, in one region of the State, things are very, very different.

Along the Yukon River there are well over 20 villages. Many of these have populations larger than several of the towns serviced by the State ferry system. The people and businesses in these villages have very limited options concerning travel and transportation. In most villages there are no options at all. The only "scheduled" transportation service available to these communities is by air transport. And of these towns on the Yukon River only three airports have runways and navigational aids capable of permitting heavy cargo or large passenger planes to land. There is not a single airport, town or village on the entire Yukon that has scheduled passenger jet service any longer. Most villages are serviced through an area hub which transfers passengers and cargo as necessary to maintain a minimum level of service. If you happen to be from the village of Nunam Iqua at the very mouth of the Yukon and want to get to Anchorage, you must first fly to Emmonak, then fly to Bethel, then onto Anchorage. A similar scenario unfolds when transporting freight: it costs \$1.65 cents per pound to ship ordinary goods from Anchorage to Kotlik, another village on the Lower Yukon. On the State ferry the cost of transporting the same goods the same distance is 9 cents per pound. A gallon of regular gas in towns serviced by state ferries is around \$3.00. On the Yukon River it is \$6.00 per gallon. A round trip passenger fare to Anchorage from the Lower Yukon is nearly \$1,000.00.

These exceptionally high costs are all associated with and due to the lack of infrastructure that is afforded and in place in most other areas of Alaska. There are no highways, railheads, or ports on the Yukon. As far as water transport, only one barge line provides unscheduled limited services to the Lower Yukon from the highway head at Nenana. That barge line clearly demonstrates just what effects a monopoly can have on the cost of goods and services. An example of this cost: to transport a pick-up truck from Nenana, to the town of Emmonak on the Lower Yukon, a distance of approximately 1,000 miles cost over \$5,000.00 on that barge line. To ship the same class vehicle from Bellingham, Washington to Valdez, Alaska, a distance of 1,500 miles via State Ferry costs \$450.00.

Down at the mouth of the Yukon our only means to transport goods is via air, which is cost prohibited most of the time as well as limited in capacity. This has unquestionably stagnated and prevented any substantial economic growth and now seriously threatens the only remaining cash economy on the lower river – commercial fishing. Because of this transportation issue, we can only carry out our commercial fisheries on a limited basis at best. Further compounding this problem is that fact that one of the only two air cargo companies servicing the lower river has recently upgraded to “modern” jet aircraft. Now we are faced with the fact that there will be less than half of the cargo lift available than in previous years, due to the fact the airstrips on the Lower Yukon are gravel and not suitable for jet aircraft landings.

We already have fisheries on the Lower and Middle Yukon that cannot be exploited in any manner due to the lack of cost efficient transportation. Ten years ago there were fish processing plants operating from the mouth of the Yukon all the way up and through the Middle Yukon. At one time, there were over a dozen fish processing plants on the Yukon River. Villages and their residents from the mouth all the way to Tanana were involved in commercial fishing. Residents from all the communities on the Middle and Lower Yukon had the benefit of in region employment. Over 900 limited entry fishing permits held by Alaskans were utilized in the Yukon fishery. Small business were established and built on the economy fueled by commercial fishing operations. It was truly the primary cash economy of the river. At one time the ex-vessel value of the Yukon Salmon fishery was over 15 million dollars.

It is quite a different story line today. Less than half the permit holders are able to fish due to lack of markets. The only significant fishery is taking place on the lower river, and it is clearly struggling to be competitive in the market place due to the extremely high cost of transporting product. Last season (2006) total landings netted barely 3.6 million dollars ex-vessel. There was a harvestable surplus of nearly three million chum salmon, unfortunately those fish could not be harvested to do the lack of efficient transportation to the market. Could they have been sold this would of contributed a minimum of over seven million additional dollars into the depressed economy of the Middle and Lower Yukon. There now are only two processing facilities operating on the entire river. The villages of Anvik, Kaltag, and Galena all have idled, moth balled processing facilities due to excessive transportation costs.

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Governor Palin, there is a widely held belief and what many economists refer to as a Law of Economics:

All Economic Development Hinges On Cost Effective Transportation Access

There is another widely held belief, that which was first stated by a government official in the Knowles administration who toured the Lower Yukon. He referred to the economy in the villages along the river as "food stamp economies." Even today, State of Alaska web sites and tourist brochures warns travelers Yukon River villages of being "Third World like". These are the same philosophies that several legislators adhere to in their anti-rural Alaska rhetoric.

There truly is a very plain, basic reason the villages on the Yukon have sunk to the level this distinction symbolizes. There is no transportation infrastructure. Period. The villages on the Yukon are losing population, industry/business is stagnant or outright non-existent, and our traditional life style of commercial fishing is all but gone due to something as elementary as transportation.

Millions of pounds of seafood product is transported annually on State subsidized ferries. Not to mention the millions of dollars worth of other commercial goods transported cheaply via State ferries. Thousands of tourists are transported via the Alaska Marine Highway System. Railway depots and up-grades costing millions have been built just to handle tourist traffic. How much has been spent on docking facilities to support cruise ship traffic through out the State? Every highway in Alaska has been rebuilt or had major over hauls in the past 10 years.

What would happen to the towns in Southeast if you took away all their jet runways, ferry terminals, ocean vessel ports, and boat harbors. How long would the economy in these places last?

The "Official Mission Statement" of the Alaska Marine Highway System declares:

The mission of the Alaska Marine Highway System is to provide safe, reliable, and efficient transportation of people, goods and vehicles among Alaska communities, Canada and the "Lower 48," while providing opportunities to develop and maintain a reasonable standard of living and a high quality of life, including social, education and health needs.

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Why is it the Yukon basin is treated so differently than other areas of the State? We certainly do not have "safe, reliable, efficient transportation" nor does it have the opportunity afforded other areas in Alaska "to develop and maintain a reasonable standard of living and high quality of life...."

HB 80 that Representative Salmon has introduced is the kind of infrastructure that is long, long overdue for the Yukon. Mr. Salmon has clearly introduced a bill which will seriously address and correct situations for the long term. It is a practical solution long needed, warranted and deserved by his constituents. Coming from the Yukon River village of Beaver, Mr. Salmon certainly realizes and understands far more than most legislators concerning what is required in an area of the state that has been long overlooked, ignored, and neglected. We respect and appreciate his efforts. Our Association fully supports HB 80.

We feel you as Governor should exert your Executive Authority to endorse and fully support HB 80.

Additionally, we would appreciate the opportunity to discuss with you or your staff this very serious problem of transportation costs on the Yukon. It is at the point now that it is going to seriously disrupt what is left of our fisheries.

Sincerely:



William Charles
Chairman of the Board
Yukon Delta Fisheries Development Association

cc: Rep. Woodie Salmon - House District 6, Berney Richert, Jr., U.S. Dept. of Commerce Economic Development Administration, Steve Titus - State of Alaska, Dept. of Transportation and Public Facilities Northern Region, Rep. Richard Foster, Sen. Donald Olson, House Transportation Committee Members: Chairman - Rep. Kyle Johansen, Vice Chairman - Rep. Mark Neuman, Rep. Anna Fairclough, Rep. Craig Johnson, Rep. Vic Kohring, Rep. Mike Doogan