

**4/03/12
OVERSIGHT
HEARING:
SOUTHEAST
TRANSPORTA
TION PLAN**

<TARGET><BILL></BILL><SUBJECT>4-03-12 OVERSIGHT HEARING
SOUTHEAST TRANSPORTATION
PLAN</SUBJECT><COMM>STRA27</COMM></TARGET>



SENATE TRANSPORTATION
COMMITTEE

State Capitol, Room 11
Juneau AK, 99801-1182
907-465-6828

To: Senate Transportation Committee Members

From: Senator Albert Kookesh, Chair

Date: March 29, 2012

Subject: Committee Meeting Schedule
April 2 – 6, 2012

Tuesday, April 3, Butrovich Room 205, 1:00-3:00pm

Oversight Hearing on the Southeast Transportation Plan (1-2pm)

+CS for HB 115, pending referral: “An Act designating a portion of Minnesota Drive and a portion of O’Malley road in Anchorage—the Walter J. Hickel Expressway (Representative Johnson)”

+HJR 4: “Constitutional Amendment: Transportation Fund (Representative Wilson)”

Thursday, April 5, Butrovich Room 205, 1:00-3:00pm

Bills previously heard or scheduled

+indicates will be teleconferenced.



SENATE TRANSPORTATION COMMITTEE

State Capitol, Room 11
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907-465-6828

Tuesday, April 3, Butrovich Room 205, 1:00-2:00pm

Oversight Hearing on the Southeast Transportation Plan (1-2pm)

- 1. Power-point presentation on the proposed Route 7 from Metlakatla to Haines**
- 2. Plans to accommodate the needs of foot passengers travelling within the region.**
- 3. The formula for setting the Alaska Marine Highway tariffs throughout the state.**
- 4. Plans for future Alaska Class Ferries and the status of the vessel replacement fund.**
- 5. Mike Korsmo, Past Chair of the Marine Transportation Board (MTAB): The role of the Marine Highway and MTAB in developing regional transportation plans.**



Questions

Senate Transportation

Commissioner Marc Luiken, Al Clough, SER Director
Mike Neussl, Deputy Commissioner Marine Operations

April 3, 2012



Alaska Department of Transportation & Public Facilities

Senate Transportation

Commissioner Marc Luiken, Al Clough, SER Director
Mike Neussl, Deputy Commissioner Marine Operations

April 3, 2012



DOT&PF Strategic Plan

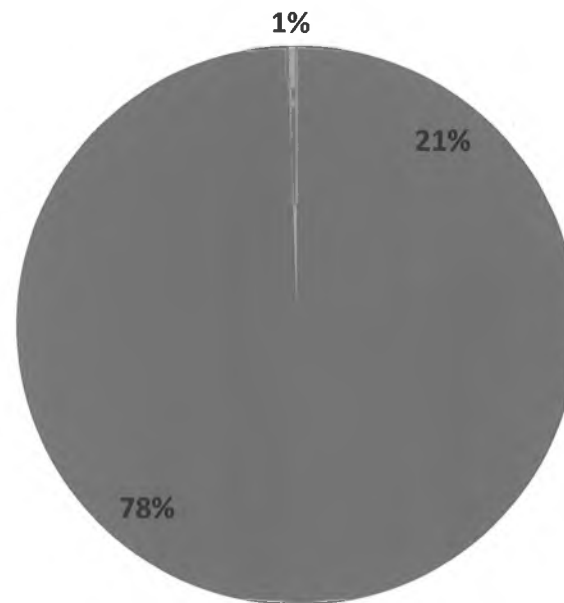
- Get Alaska Moving Through Service & Infrastructure
- Expand Alaska's Transportation System



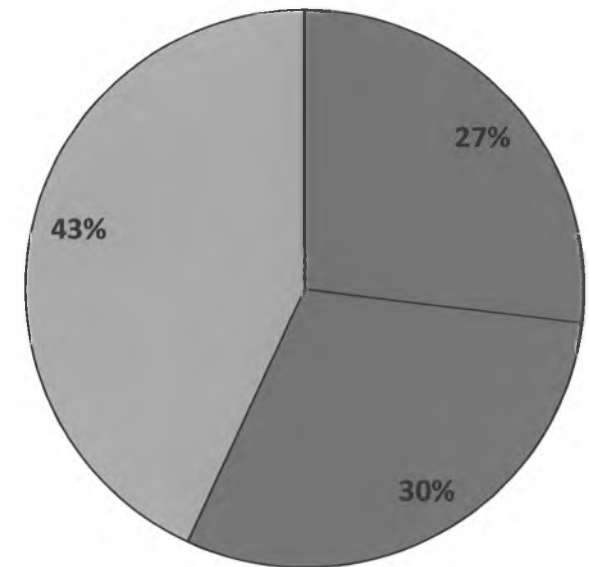


Challenges

- Geography
- Costs
- Resources



Passenger Miles by Mode
Statewide



Maintenance & Operations
Statewide FY2011, Total



Opportunity

- Plan Beyond 20 Years
- Create Efficient Systems
- Develop Roads to Resources



Planning

- SATP is an important guide for DOT
- FHWA requires a multi-modal plan
- Geography in SE will mean that ferries will always be an important component
- The SATP helps guide the Governor when forming the capital budget each year



Developing the SE Plan

- 2004 SE Alaska Transportation Plan
- Scoping process
- Factors for consideration



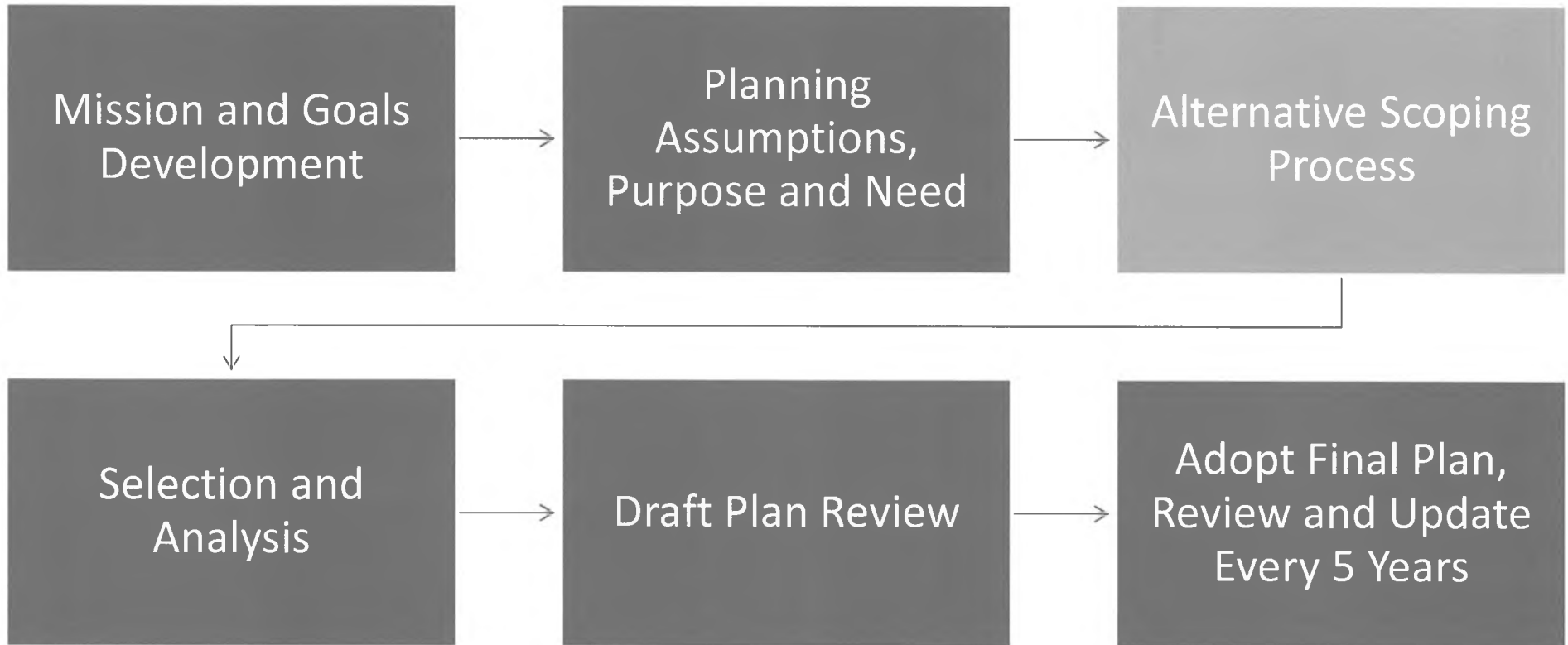


Important Issues

- Use capital funding efficiently ;
- Fleet optimization •
- Maintain or improve regional mobility •
- Connect SE Communities •
- Reduce system annual expense •



Process





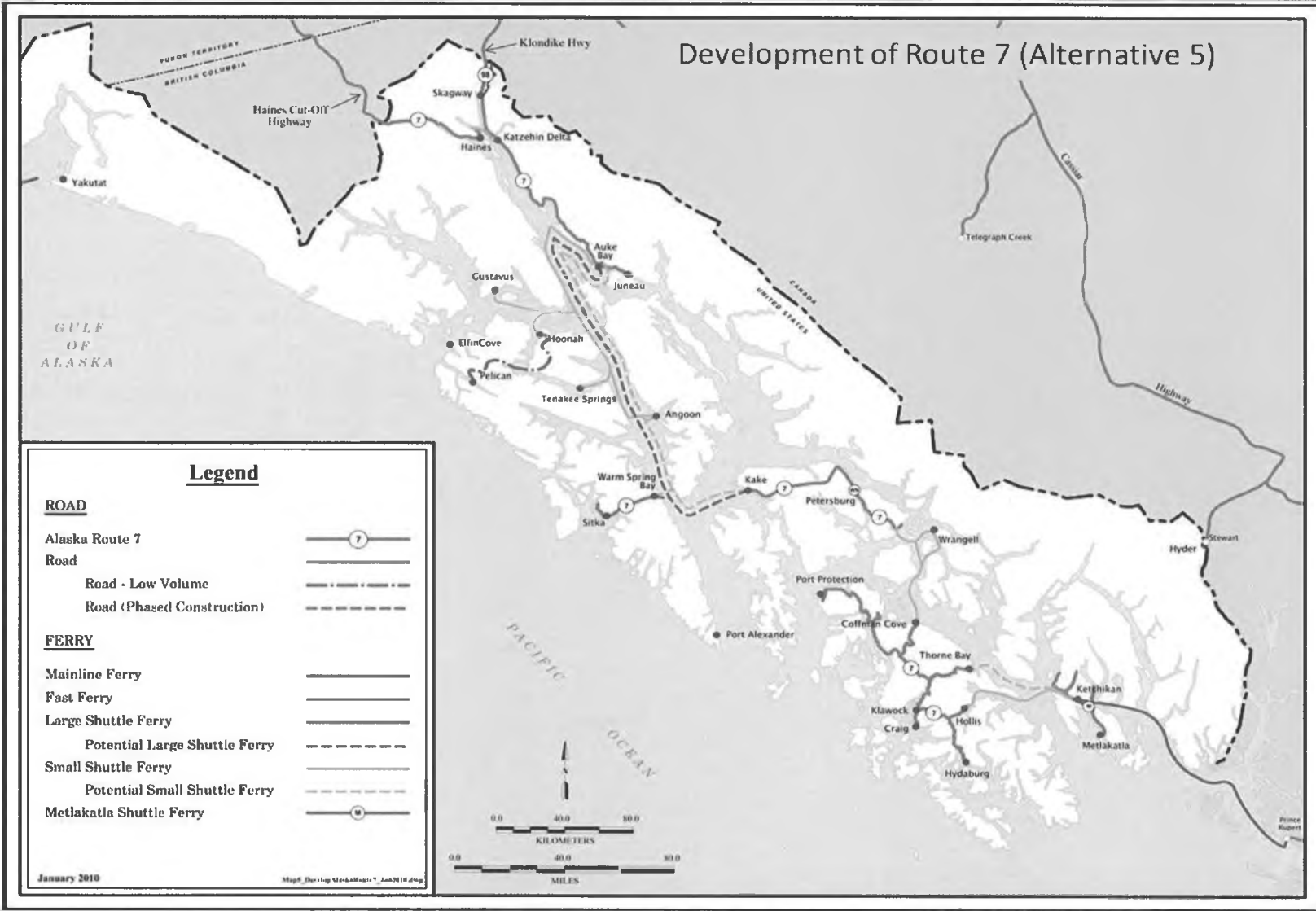
Six Scoping Alternatives Review

- 1 – Baseline: Maintain the Existing System
- 2 – Ferry Capacity Management
- 3 – Maximize Use of Existing Roads
- 4 – Alaska Class Ferries
- 5 – Highway Route 7
- 6 – No Action



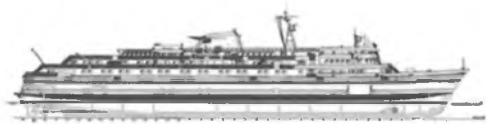
Highway Route 7

- Construct:
 - Juneau Access
 - Kake to Petersburg
 - Alaska Class ferry plus 10 shuttle ferries
 - Sitka to Warm Spring Bay (Design)
- Impacts:
 - Discontinue Bellingham and Cross-Gulf service (including Yakutat)
 - More service between nearby communities, longer travel times through the region

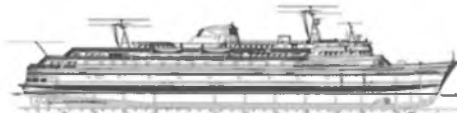




Alaska Marine Highway System



M/V Matanuska
408 feet
Built 1963



M/V Malaspina
408 feet
Built 1963

15 million for 3



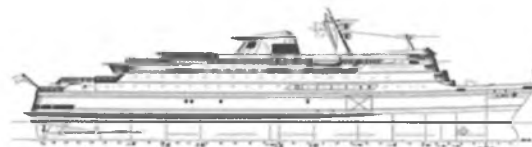
M/V Taku
352 feet
Built 1963



M/V Tustumena
296 feet
Built 1964



M/V LeConte
235 feet
Built 1974



M/V Columbia
418 feet
Built 1974



M/V Aurora
235 feet
Built 1977



M/V Kennicott
382 feet
Built 1998



FVF Fairweather
240 feet
Built 2004



M/V Lituya
193 feet
Built 2004



FVF Chenega
240 feet
Built 2005



AMHS Tariffs

- No Formula for Setting Tariffs
- 17 AAC 70.040 – Tariffs reviewed and revised by DOT&PF commissioner in the best interest of the general public and the ferry system.
- Tariffs have been set over many years by various administrations



Alaska Class Ferry

- Only One Alaska Class Ferry (ACF) Authorized & Funded
- There was talk of a second & possibly third ACF to fill certain routes & replace aging vessels
- Tustumena





Vessel Replacement Fund

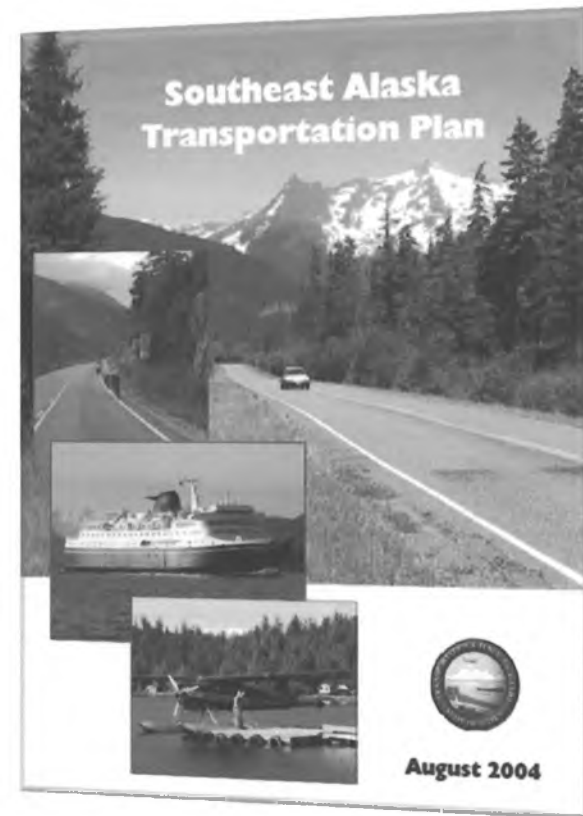
- Vessel Replacement Fund (VRF) created by Statute AS 37.05.550
- Legislative function to appropriate funds or interest earned into the VRF
- Current Balance is \$118M of \$120M Appropriated





Regional Transportation Plans

- AMHS Involvement
- MTAB Involvement
 - AS 19.65.011
 - Consultation





Questions

Senate Transportation

Commissioner Marc Luiken, Al Clough, SER Director
Mike Neussl, Deputy Commissioner Marine Operations

April 3, 2012

Talking Points Oversight Hearing

1. Route 7 is a very complicated itinerary. There are concerns about the logistics and length of time required to travel through the region if Route 7 is implemented. Please explain in detail the logistics of **taking a basketball team from Angoon to Ketchikan (for example) and the estimated time it will require.**
2. A failure in one of the Route 7 links (due to mechanical failure or avalanche) will cause people to be stranded and create a bottleneck for traffic throughout the entire system. How do you plan to deal with these eventualities?
3. Many people (40%) currently travel the region without vehicles. How will you accommodate foot passengers in the Route 7 alternative? Does the Marine Highway receive Federal Transit Administration (FTA) money and if so, will that funding source be lost when it is no longer possible to travel throughout the region without a vehicle?
4. Mainliners play a big role in transporting our military families in and out of the state. Under Route 7, transporting a military family from Bellingham to Anchorage would require 5 road links, 5 ferry links and 4 border crossings. How long do you estimate it will take to accomplish this trip?
5. Route 7 calls for elimination of the Lynn Canal, Bellingham, and Cross Gulf routes. These are the Marine Highway's most lucrative routes. What will be the effect on ticket prices and/or increased state subsidies when those revenues are eliminated?

haven't
met the
objectives of
other transit
plans.

Marine
V
Road

Vehicle to
transit?

Nancy Barnes

From: Norbert & Diana Chaudhary <chaudhary@kpu.net>
Sent: Friday, March 30, 2012 11:55 AM
To: Sen. Albert Kookesh
Subject: Southeast Area Transportation Plan

Dear Sir,

I am very disappointed to see that the DOT is once again pushing for more roads and less ferries. Perhaps this a result of too many civil engineers on the state payroll? Or is there Federal money involved? Either way common sense appears to be lacking. Southeast Alaska is blessed with protected waterways surrounded by stunning scenery. Rather than attacking nature by blasting roads into steep hillsides, we should walk in step with - and embrace the unique maritime environment in which we live.

The millions that visit and those of us that live here are not interested in building and maintaining more asphalt, concrete and steel bridges - there is plenty of that in the lower 48. Besides, it is impractical, unrealistic and honestly outright absurd to believe that transportation needs are improved by eliminating mainline ferries for a system of more roads, shuttles and multiple short run ferries. While operations at the AMHS can be improved and made more efficient - gutting it would be a big mistake. My wife and I have raised four children in Ketchikan (3 currently at UAA) and we are frequent riders on the ferries. As a suggestion, two Bellingham ferries and two Rupert ferries per week in the summers would be beneficial to Alaskans and allow easier access for outsiders to come and spend their money in our state.

Alternative 5 is the worst of several bad choices, I urge you to consider options better suited for our outstanding and breathtaking geography. Thank you for considering my opinion.

Regards,
Norbert Chaudhary
Ketchikan, AK



March 12, 2012

*Marine Transportation
Advisory Board*

MTAB Legislative Priorities for 2012 Session

Robert Venables
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Haines

Mark Eliason
Vice Chair
Travel & Tourism
Anchorage

Ron Bressette
Union
Juneau

Gerry Hope
Central Southeast
Sitka

Joshua Howes
At-large
Anchorage

Tim Joyce
Prince William Sound
& Kenai Peninsula
Cordova

Dan Kelly
Southern Southeast
Ketchikan

Mike Korsmo
Retired Marine Captain,
not affiliated with AMHS
Skagway

Shirley Marquardt
Southwest AK, Aleutian Chain
Unalaska

Cathie Roemmich
At-Large
Juneau

Maxine Thompson
Hoonah, Kake, Pelican and
Tenakee
Angoon

We Strongly Recommend Funding for FY 2013:

Funding for AMHS operations at current levels of service

- ✓ Public expects and appreciates a consistent schedule
- ✓ Due to maintenance schedules, replacement ships cost more to operate
- ✓ Customer satisfaction approval rating for current service level is high

Alaska Class Ferry Construction

- ✓ Next generation ferry to start replacement of aging AMHS fleet
- ✓ CM/GC Process to be used for efficiency
- ✓ Following legislative intent to build in Alaska

Columbia Repower Project (federal receipts)

- ✓ Unexpected engine casualty in May 2011 caused 4-day service outage
- ✓ Ship is due for mid-life repowering
- ✓ Catastrophic casualty of an engine would cancel entire operating season

Engine Replacements for the Fast Vehicle Ferry (federal receipts)

- ✓ Fairweather engines have reached maximum cylinder bore oversize limit
- ✓ No proven permanent solution to problem exists
- ✓ Potential for year+ service gap due to long lead time engine production

Annual Appropriations to the Vessel Replacement Fund of at least \$60 Million

- ✓ Systematic annual investment needed to replace aging fleet
- ✓ Current commitment to AK Class Ferry means zero balance in fund
- ✓ Retaining fund's interest earnings could protect against inflation

Contact: Robert Venables, Chair
venables@aptalaska.net



Marine Transportation Advisory Board

Alaska Department of Transportation and Public Facilities
P.O. Box 112500 • Juneau, AK 99811-2500

October 27, 2011

Robert Venables
Chair
Northern Southeast
Haines

Mark Eliason
Vice Chair
Travel & Tourism
Anchorage

Ron Bressette
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Juneau

Gerry Hope
Central Southeast
Sitka

Joshua Howes
At-large
Anchorage

Tim Joyce
Prince William Sound & Kenai
Peninsula
Cordova

Dan Kelly
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Mike Korsmo
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Shirley Marquardt
Southwest AK, Aleutian Chain
Unalaska

Cathie Roemmich
At-Large
Juneau

Maxine Thompson
Hoonah, Kake, Pelican and
Tenakee
Angoon

Mr. Andy Hughes
Transportation Planner
Alaska Department of Transportation
PO Box 112506
Juneau, AK 99811-250

Re: SATP Recommendations

Mr. Hughes:

Thank you for the extensive time you and your staff spent in the recent work session and special meeting with the Marine Transportation Advisory Board (MTAB) regarding the Southeast Alaska Transportation Plan (SATP). This long-range plan sets the critical path for the ferry system, and the investments made by the State of Alaska in support of its implementation will ultimately provide the region with a transportation system that will meet the basic needs of southeast communities while supporting local, regional and state economies.

The MTAB met on October 14, 2011 to consider the various options offered in the SATP Scoping Report and passed the following motion:

The Marine Transportation Advisory board will develop a letter of support for the SATP that articulates the MTAB position including the retention of both the Bellingham and Cross-Gulf ferry routes, the construction of an additional Alaska Class ferry and one mainliner replacement ferry, consideration of a Berner's Bay ferry terminal that includes an inherent Public Transportation component to support walk-on ferry passengers, and funding for the design phase for the Sitka-Baranof Warm Springs road. Road links should be built where appropriate and possible in order to shorten ferry runs and create an efficient transportation system.

Alaska policy-makers created a transportation system in the AMHS that provides a vital service to both local residents and citizens throughout the country and is used extensively by members of the U.S. military. The MTAB believes that a SATP that includes these objectives will best provide the framework that will afford the safe movement of people and goods throughout the region and state. It is critical that the SATP outline these objectives in such a way that they can be systematically achieved.

Thank you for the opportunity to provide input for the development of the Southeast Alaska Transportation Plan. Feel free to contact me at any time for more information or to answer any questions that may arise.

On behalf of the Marine Transportation Advisory Board,

Robert Venables, Chair

cc: Governor Parnell
Alaska State Legislature
Southeast Conference