

**01/17/13
OVERVIEW:
ALASKA
CLASS
FERRY
CHANGE IN
DIRECTION**

<TARGET><BILL></BILL><SUBJECT>01-17-13 OVERVIEW ALASKA
CLASS FERRY CHANGE IN
DIRECTION</SUBJECT><COMM>HTRA28</COMM></TARGET>



Alaska Department of Transportation & Public Facilities

Alaska Class Ferry Change in Direction

Commissioner Pat Kemp

January 17, 2013



ACF History

- June 2006 DOT&PF issued a statement of services for a “Southeast Shuttle Ferry” design concept
 - Goal was to build a stern/bow roll on-roll off vessel similar in concept to the M/V Bartlett
 - Original design specs included: 255ft to 305ft length, 48-60 vehicle capacity, and bow, stern & side load capabilities
 - \$25-30 million - Estimated cost to build a vessel of this concept and size in 2006
- During the development process changes were made that diverged from the original concept
 - This included: elimination of the bow door, addition of crew quarters and lengthening the vessel to 350’
 - These changes created a new class of ferry between an Aurora Class and a mainline vessel.
- The ACF Design Study Report was completed in 2009 and the cost estimate grew to \$120 million



Funding

- The 2010 Alaska State Legislature appropriated \$60 million
 - Also in 2010, Governor Parnell “defederalized” the ACF project and the department transferred approximately \$1.5 million that had been expended for design to other state transportation projects. Defederalizing the ACF project allowed the state more flexibility to choose where and how the ACF would be designed and constructed.
- The 2011 Alaska State Legislature appropriated \$60 million



University Study

- DOT&PF hired UAF to independently analyze AMHS, the study was published in Fall 2011
- It found that there was no improvement in the overall efficiency of the AMHS by replacing the M/V Malaspina in Lynn Canal with a 350-foot ACF.
- There was an improvement in service with deployment of two 350-foot ACF's in Lynn Canal, but at an increased cost that resulted in the highest annual AMHS subsidy of any alternative UAF analyzed.



Change in Direction

- In fall 2012 the conceptual design had reached a point where accurate cost estimates could be provided by both the naval architect and ASD. These estimates showed the total project cost at \$150-\$167 million – 25-39 percent higher than the \$120 million appropriated and more than five times the original 2006 estimate.
- DOT&PF consulted with the Governor and received direction to reevaluate the direction the project had taken. The vessel design and purpose were reviewed and the department determined that going back to the original concept was the best course of action for service to the public.
- Governor Parnell announced in December 2012 to revert the design back to a stern/bow roll on-roll off concept which will cost less to build and operate, and better serve Alaskans.



Service Changes

- Two shuttle ferries operating between Juneau and Haines would have about 70% more capacity.
- Capital costs will be lower.
- Operating costs will be lower.

STATEMENT OF SERVICES

Southeast Shuttle Ferry Design Services

PURPOSE

Select Naval Architecture and Marine Engineering Firm to modify a concept ferry boat design to meet Alaska Marine Highways Systems operational and performance requirements for a new class of Southeast Alaska Shuttle Ferries.

VESSEL INFORMATION

Vessel Type.....Roll On-Roll Off (Ro-Ro) Passenger Ferry
USCG Classification.....Subchapter H
Classed.....American Bureau of Shipping (ABS) *A1, ⊕, *AMS, Ferry Service Passenger
Service.....Domestic Voyage
Service Route Type.....Lakes, Bays and Sounds
Southeast Alaska Stability Policy....Exposed Routes
Length Overall.....255' to 305'
Beam.....56' to 74'
Draft.....10' to <16'
Passenger Capacity.....450 – Interior Seating for 300 Passengers
Vehicle Capacity.....48 to 60+
Vehicle Loading Ability.....Bow, Stern, and Side (Port & Starboard)
Cruise Speed.....18 Knots
Sprint Speed.....20 + Knots
Operation.....Day Boat Operations – 12 Hours
Manning Level.....Minimum Manning IAW Regulatory Requirements – Unmanned Engine Room
ADA Compliant.....Americans with Disabilities Act (ADA) with Passenger Elevator

DESCRIPTION OF THE PROJECT

The Naval Architecture and Marine Engineering Firm shall (1) provide concept design for new Southeast Shuttle Ferry, (2) develop and assemble, plans, specifications and estimate (PS&E) for competitive bidding, and provide design support during advertising and construction. The selected consultant may also serve as the Owner's Representative in meetings with the public, other agencies and other design firms.

MINIMUM QUALIFICATIONS

Firms must demonstrate experience in the design of projects of the same or greater magnitude and complexity as the Southeast Shuttle Ferry. The firm must have designed and provide plans, specification and estimate for at least one such vessel in the last five years.

SCOPE OF THE REQUIRED DESIGN SERVICES

The design phase of the project development spans all activities of preliminary vessel design through advertisement for construction. The design product will be plans, specifications and estimate (PS&E) assembly adequate to obtain competitive bids and detailed enough to construct the project. During the construction phase, the Consultant shall be available to provide engineering interpretation of the PS&E assembly and review of contractor submittals.

TO BE COMPLETED BY FHWA		FEDERAL-AID PROJECT AGREEMENT AND APPROVAL/AUTHORIZATION	State
MONTHLY TRANSACTION NUMBER 05-51			Alaska
Standard Place Code (FIPS data) N/A			Federal Project No. SHAK-9500(112)
County N/A	FHWA Area X-3		State Project No. 73073
		U.S. Department of Transportation Federal Highway Administration	

The State, through its Highway Agency, having complied, or hereby agreeing to comply, with the applicable terms and conditions set forth in (1) Title 23, U.S. Code, Highways, (2) the Regulations issued pursuant thereto and, (3) the policies and procedures promulgated by the Federal Highway Administrator relative to the above designated project, and the Federal Highway Administration having authorized certain work to proceed as evidenced by the date entered opposite the specific item of work, Federal funds are obligated for the project not to exceed the amount shown herein, the balance of the estimated total cost being an obligation of the State. Such obligation of Federal funds extends only to project costs incurred by the State after the Federal Highway Administration authorization to proceed with the project involving such costs.

PROJECT TERMINI: Purchase new Roll On/Roll Off (RORO) ferry to operate in Southeast Alaska between AMHS terminals. **DUNS #617616495**

INVENTORY ROUTE NUMBER: N/A **MILEPOINT:**

Project Description: (Below) (X) Rural/Urban Functional System (P) Federal-Aid System (N) Length: (Miles) N/A

Select consultant to assist with preparation of Plans, Specifications, & Estimate (PS&E) for purchase of a new RORO ferry. Vessel will minimize crewing (maximum automation); be designed for high operational efficiency; be designed to expedite loading and unloading; will be compatible with existing facilities (to the extent possible); will consider future travel demand, infrastructure improvements, minimum manning; will be designed to operate in the waters of SE Alaska (defined as lakes, bays, and sounds) with minimal weather restrictions.

Request funding and authority to proceed with PE through Final PS&E.

REQUEST AUTHORITY TO PROCEED FOR FUNDING UNDER CERTIFICATION ACCEPTANCE () EXEMPT		EFFECTIVE DATE
PRELIMINARY ENGINEERING	<input type="checkbox"/> Reconnaissance Study <input checked="" type="checkbox"/> Final PS&E	MAY 19 2006
	<input type="checkbox"/> Environmental Document Approval	
RIGHTS-OF-WAY	<input type="checkbox"/> Appraisals and Acquisitions <input type="checkbox"/> Utility Relocation	
CONSTRUCTION	<input type="checkbox"/>	
HIGHWAY PLANNING & RESEARCH (HP&R)	<input type="checkbox"/>	
OTHER	<input type="checkbox"/>	

ATTACHMENTS: COST ESTIMATE MAP SUPPORTING DATA CERTIFICATION CHECKLIST

REMARKS: (FWHA use only) Environmental Document Approval STIP ()
Date

ESTIMATED TOTAL COST OF PROJECT	FEDERAL FUNDS	PROGRAM CODE	PROJECT TYPE
251,000	250,000	QK2	C

NEED ID: 18359 SECTION: FB STIP/PAGE NO: 06-08 STIP pg 240 RECOMMENDED BY OPERATIONS ENGINEER
[Signature]

NAME: Ferry: Construct/Lease/Purchase Ferryboats & Terminals.

The State further stipulates that as a condition to payment of the Federal funds obligated, it accepts and will comply with the applicable provisions set forth in 23 CFR Part 630, which is incorporated therein by reference.

State of Alaska, Department of Transportation
and Public Facilities
(Official name of Highway Agency)

By *[Signature]*
DOT&PF/Authorized Agent

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

By *[Signature]*
for (Division Administrator)

Date Executed 5/19/2006

STATE OF ALASKA PROJECT ESTIMATE

Department of Transportation and Public Facilities

April 14, 2006

Federal project no: SHAK-9500(112) State project no: 73073

Project Name: SEA Region Shuttle Ferry

ITEM	IMPROVEMENT TYPE	TOTAL EST'D COST	MATCHING RATIO	FEDERAL FUNDS	MILES
Requested Program and Agreement		APPN: <u>QK2</u>			
1) 10	15	251,000	100.00%	250,000	N/A
TOTALS		<u>251,000</u>		<u>250,000</u>	

1) Includes \$1,000 non-participating and \$126,360 for Consultant.

TO BE COMPLETED BY FHWA	
MONTHLY TRANSACTION NUMBER 01-03	
Standard Place Code (FIPS data) N/A	
County N/A	FHWA Area X-3

**MODIFICATION OF FEDERAL-AID
PROJECT AGREEMENT
AND
APPROVAL/AUTHORIZATION**

U.S. Department of Transportation
Federal Highway Administration

State Alaska
Federal Project No. SHAK-9500(112)
State Project No. 73073

PROJECT TERMINI: **DUNS #617616495**
Purchase new Roll On/Roll Off (RORO) ferry to operate in Southeast Alaska between AMHS terminals.

INVENTORY ROUTE NUMBER: N/A MILEPOINT:

A. Project Des. B. Reason for Mod <input checked="" type="checkbox"/> Rural/Urban Functional System <input type="checkbox"/> Federal-Aid System <input type="checkbox"/> [N]		Length: (Miles)	N/A
A. Select consultant to assist with preparation of Plans, Specifications, & Estimate (PS&E) for purchase of a new RORO ferry. Vessel will minimize crewing (maximum automation); be designed for high operational efficiency; be designed to expedite loading and unloading; will be compatible with existing facilities (to the extent possible); will consider future travel demand, infrastructure improvements, minimum manning; will be designed to operate in the waters of SE Alaska (defined as lakes, bays, and sounds) with minimal weather restrictions.			
B. Decrease Federal design funding to 0 per ineligibility notice and move funding to non-participating. This project will now be entirely state funded. Request withdrawal without Federal participation.			

The Project Agreement for the above-referenced project entered into between the undersigned parties and executed by the Division Administrator on May 19, 2006 is hereby modified as follows:

Appn Code	Federal Funds	Total Estimated Cost
<u>QK2</u>	<u>0.00</u>	<u>2,500,000.00</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Estimated total cost of project	0.00	2,500,000.00

REQUEST AUTHORITY TO PROCEED FOR FUNDING UNDER CERTIFICATION ACCEPTANCE		<input type="checkbox"/> EXEMPT	EFFECTIVE DATE
PRELIMINARY ENGINEERING	<input type="checkbox"/> Reconnaissance Study	<input type="checkbox"/> Final PS&E	
RIGHTS-OF-WAY	<input type="checkbox"/> Environmental Document Approval		
CONSTRUCTION	<input type="checkbox"/> Appraisals and Acquisitions	<input type="checkbox"/> Utility Relocation	
HIGHWAY PLANNING & RESEARCH (HP&R)	<input type="checkbox"/>		
OTHER	<input type="checkbox"/>		
ATTACHMENTS:		<input checked="" type="checkbox"/> COST ESTIMATE	<input type="checkbox"/> MAP
REMARKS: (FHWA use only)		<input checked="" type="checkbox"/> SUPPORTING DATA	<input type="checkbox"/> CERTIFICATION CHECKLIST

Environmental Document Approval _____ Date _____ STIP

NEED ID: 18359 SECTION: FB STIP/PAGE NO: 06-09 STIP Amd #13 pg 253	RECOMMENDED BY <i>[Signature]</i>	OPERATIONS ENGINEER 12/29/10
NAME: Ferry: Construct/Lease/Purchase Ferryboats & Terminals.		

ALL OTHER TERMS AND CONDITIONS OF THE PROJECT AGREEMENT WILL REMAIN IN FULL FORCE AND EFFECT.

State of Alaska, Department of Transportation and Public Facilities
(Official name of Highway Agency)

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

By *[Signature]*
DOT&PF/Authorized Agent

By *[Signature]*
for (Division Administrator)
Date Executed 12/29/2010

STATE OF ALASKA PROJECT ESTIMATE

Department of Transportation and Public Facilities

December 17, 2010

Federal project no: SHAK-9500(112)

State project no: 73073

Project Name: Southeast Shuttle Ferry.

ITEM	IMPROVEMENT TYPE	TOTAL EST'D COST	MATCHING RATIO	FEDERAL FUNDS	MILES
As Programmed and Agreement		<u>APPN: QK2</u>			
1) 10	15	2,501,000.00	100.00%	2,500,000.00	N/A

TOTALS	<u>2,501,000.00</u>	<u>2,500,000.00</u>
---------------	---------------------	---------------------

1) Includes \$1,000 non-participating and Consultant for design study report \$198,830 and PS&E \$1,962,500.

Revised Program and Agreement		<u>APPN: QK2</u>			
10	15	0.00	100.00%	0.00	N/A
1) 11	15	2,500,000.00	0.00%	0.00	

TOTALS	<u>2,500,000.00</u>	<u>0.00</u>
---------------	---------------------	-------------

1) Non-participating

Alaska Department of Transportation & Public Facilities

Alaska Class Ferry: Project Overview and Change in Direction

System Overview

The Alaska Marine Highway System (AMHS) is currently comprised of 11 ferries, each of which performs a distinct mission for the department. The fleet can be divided into three classes of service.

The larger vessels are described as “mainline” ferries and are able to do the heavy haul for public travel with a greater capacity for semi-trailers, large trucks, heavy equipment, etc. These vessels are a 24/7 operation when in service and are manned with multiple crews and crew quarters. The vessels provide all the amenities the system can offer: staterooms, dining rooms, movie rooms, a large car deck, etc. These vessels are the: M/V Columbia, M/V Malaspina, M/V Matanuska, M/V Kennicott, M/V Tustumena and M/V Taku.

A second class of vessel is the Aurora Class, which includes the M/V LeConte and M/V Aurora, both of which are 235 feet long and can transport 34 standard vehicles and up to 300 passengers. These vessels are designed to provide public transportation to smaller communities and fill in for mainliners when required and where possible. The vessels have the capability to operate 24/7 with multiple crews and crew quarters onboard. There are no staterooms available for travelers and food service is similar to what is available on mainline vessels. Currently the M/V Aurora operates with multiple watch crews in Prince William Sound and the M/V LeConte serves Lynn Canal and Icy Straits within the work/rest requirements for one crew.

The last vessel class is the “shuttle ferries.” These are home ported in one community, make a trip to another community and return each night for overnight moorage. The M/V Lituya, FVF Fairweather, FVF Chenega and the non AMHS entity Inter-Island Ferry Authority M/V Prince of Wales are examples of this vessel class. These vessels do not have staterooms for crew or passengers, are minimally crewed and are operated on routes where the sailing can be completed within 12 hours. The 12-hour criterion is important because operations over this length of time require additional crews and the inclusion of crew quarters and eating facilities add operating and capital costs. These vessels offer the most efficient service but are limited to their use in that they can only serve communities distanced less than 12 hours apart from the time the crew begins in the morning and ends their shift each night.

Brief History

On June 28, 2006 the Alaska Department of Transportation and Public Facilities (DOT&PF) issued a statement of services for a shuttle ferry class of vessel described as “Southeast Shuttle Ferry” with the purpose to:

“Select Naval Architecture and Marine Engineering Firm to modify a concept ferry boat design to meet Alaska Marine Highway Systems operational and performance requirements for a new class of Southeast Alaska Shuttle Ferries.”

The statement of services specified that the vessel design must meet the following criteria:

- Vessel Type: Roll On-Roll Off Passenger Ferry
- Overall Length: 255ft to 305ft

- Passenger Capacity: 450 (interior seating for 300 passengers)
- Vehicle Capacity: 48-60 plus
- Loading Ability: Bow, Stern and Side
- Cruise Speed: 18 knots (20 knot sprint speed)
- Operation: Day Boat Operations (12 hours)

This began the process toward building the Alaska Class Ferry (ACF), which would be the first AMHS stern/bow roll on-roll off (RORO) vessel since the M/V Bartlett. The stern/bow RORO would enable the most efficient vehicle loading and unloading capabilities. It was estimated in 2006 that the cost to build a vessel that met the above criteria to be approximately \$25 to \$30 million.

The naval architect firm, Elliott Bay Design Group, was selected to begin working with DOT&PF to design the vessel that would fulfill the criteria in the statement of services.

As the concept developed, there were several changes made that differed from the criteria in the statement of services. One of the most important changes was the elimination of a bow door, which decreased the ability of vehicles to roll on and roll off in an efficient manner. Less time in port and more time underway was an important characteristic for a Southeast Alaska Shuttle Ferry, especially for routes that were on the edge of being completed in less than 12 hours. A second major change to the concept design was the inclusion of crew quarters, which conflicted with the "day boat operations" specification in the original statement of services. The vessel was also lengthened to 350 feet during this process. The ACF Design Study Report was completed in 2009 and included these changes to the original vision of the vessel; the cost estimate increased to \$120 million.

The 2010 Alaska State Legislature appropriated \$60 million of state general funds toward building the first Alaska Class Ferry. The appropriation matched \$68 million in Federal Highway Administration funds. Later that year, Governor Parnell "defederalized" the ACF project and the department transferred approximately \$1.5 million that had been expended for design to other state transportation projects. Defederalizing the ACF project allowed the state more flexibility to choose where and how the ACF would be designed and constructed. This aligned with the Governor's and legislature's intent that the vessel be built in Alaska for Alaskan jobs. The federal funds were later redistributed to other transportation projects in Alaska; the funds were not lost or permanently sent back to the federal government.

The 2011 Alaska State Legislature appropriated an additional \$60 million to the project. DOT&PF continued working with Elliott Bay Design Group to design an ACF that could be built within the \$120 million appropriated budget.

In parallel with the ACF development, DOT&PF in 2007 hired the University of Alaska Fairbanks (UAF) to independently analyze the Alaska Marine Highway System. The study was published in 2011 and found that there was no improvement in the overall efficiency of the AMHS by replacing the M/V Malaspina in Lynn Canal with a 350-foot ACF. When two additional ACF's of this size were deployed (with the retirement of the M/V Taku) the study found that the average annual AMHS operating subsidy increased by approximately \$6.7 million. There was an improvement in service with deployment of two 350-foot ACF's in Lynn Canal, but at a substantial increased cost that resulted in the highest annual AMHS subsidy of any alternative UAF analyzed.

In late 2011 DOT&PF management was concerned that the vessel design had diverged away from the original design concept described in the statement of services. Instead of a stern/bow RORO shuttle class ferry, the design had morphed into essentially a large Aurora Class vessel. Rumors within the ship building industry also indicated that the vessel would exceed the \$120 million budget. At this time the department began altering and removing design features in an effort to reduce construction costs.

In April 2012 DOT&PF contracted with Alaska Ship and Drydock (ASD) designating the shipyard as the Construction Manager/General Contractor for the design phase of the ACF project. ASD operates the Ketchikan Shipyard under a long-term private/public partnership agreement with the Alaska Industrial Development and Export Authority (AIDEA). As part of the contract with DOT&PF, ASD would have the ability to submit the first price proposal for the construction contract as the design neared completion. If the price ASD submits is acceptable to DOT&PF a contract would be initiated with ASD to construct the vessel. If a price could not be agreed upon the state would advertise the project for competitive bids which would allow firms located outside of Alaska an opportunity to construct the vessel.

In fall 2012 the conceptual design had reached a point where accurate cost estimates could be provided by both the naval architect and ASD. These estimates showed the total project cost at \$150-\$167 million – 25-39 percent higher than the \$120 million appropriated and more than five times the original 2006 estimate.

The department was now faced with a vessel design that did not meet the original intent of constructing a stern/bow RORO shuttle ferry, a study provided by the University of Alaska that cast doubt on the use of the vessel, and a cost estimate that exceeded the amount available for construction.

Armed with this information the department consulted with the Governor and received direction to reevaluate the direction the project had taken. The vessel design and purpose were reviewed and the department determined that going back to the original concept was the best course of action for service to the public. Governor Parnell announced in December 2012 to revert the design back to a stern/bow RORO concept which will cost less to build and operate, and better serve Alaskans.

Change in Direction

The former ACF concept was a 350-foot ferry (about the same length as the M/V Taku) with a capacity of 60 standard cars, no passenger staterooms, and a crew of 23-28 with requisite crew quarters/galley.

The stern/bow RORO ACF will be, in comparison, a smaller vessel approximately 260-300 feet in length (longer than the Aurora Class) with a standard vehicle capacity around 50 cars. It will not have passenger or crew staterooms and will operate with fewer crewmembers than the former ACF concept. This ferry will be designed with stern and bow loading capabilities and possibly port/starboard loading doors. The new ACF's will have the capability to replace the M/V Malaspina as shuttle ferries operating in Lynn Canal between Juneau, Haines and Skagway. It is expected that with its length and a modified hull form, the vessel will have similar seakeeping characteristics as the M/V Taku. DOT&PF intends to initially build two Alaska Class Ferries within the appropriated budget.

Next Steps

DOT&PF is currently amending its contract with Elliott Bay Design Group to refocus the ACF design toward the stern/bow RORO vessel concept. Because of a less complex design, the department anticipates that both the design and construction times will be faster in comparison to the previous design concept.

Serving Southeast Alaska

Beside significant construction and operating cost savings, the stern/bow RORO Alaska Class Ferry provides the greatest frequency, versatility and capacity while also serving as a backup for other vessels.

Frequency

One possibility is to operate two shuttle ferries to supplement mainline service in Lynn Canal. One vessel could be home ported in Haines or Skagway and the other in Juneau. The northern ACF would shuttle between Haines and Skagway. The Juneau ACF would make one or two round trips per day between Juneau and Haines. Because these vessels would have stern and bow loading capabilities and operate to a single port, the load times at each port will be significantly less in comparison to other AMHS ferries and, in turn, provide for a more efficient use of operating hours per day.

Versatility

Another possibility is deploying the ferries to other Southeast communities when the traffic demand requires an additional vessel (i.e. community events, Celebration). The communities of Hoonah, Tenakee and Gustavus can all be served within a 12-hour timeframe to/from Juneau.

Capacity

A minimum of 200 standard vehicles could be transported each day between Juneau and Haines as needed during peak times - a total capacity capable of transporting 67 percent more vehicles than the former ACF concept transporting 120 standard vehicles per day.

Backup

With several smaller ferries, one ferry can be deployed to other Southeast communities when the M/V LeConte is not running due to required annual maintenance or breakdowns. The ACF's will also serve as a backup vessel to one another during scheduled and unscheduled maintenance days. This will allow AMHS to continue to provide a consistent level of service with the least amount of impact to the system as a whole.

Cost

Preliminary analysis of total costs – capital and operating – over the life of the new vessels indicates that two smaller ACF's can yield significant cost savings over the former ACF concept. This is due to differences in operating costs of different vessels, and the opportunity to scale the use of the vessels to the very big swing in capacity required between peak and off-season.

Governor Parnell

Southeast Conference has some concerns about the change in direction your administration has taken concerning the Alaska Class Ferry. From the inception of the Alaska Marine Highway System SEC has been a tireless advocate for its continued operation and success. We were strong supporters of the Alaska Class Ferry concept and what it would mean for the entire AMHS System. It is exciting for us to believe that the State of Alaska is working on replacing our aging fleet of ferries which are extremely critical to the economies of coastal Alaska Communities.

Some of our concerns with the latest shuttle ferry concept being proposed are listed below.

- The sudden change in direction to smaller shuttle ferries without any input from strong ferry advocacy organizations (MTAB, SEC)
- Safety, reliability, and comfort of smaller shuttle ferries in proposed routes
- Cost of replacing one large Alaska Class Ferry with 3 smaller shuttle ferries (without cost estimates for smaller vessels)
- Cost of operating 3 small shuttle ferries with crews several times a day compared to a daily ACF ferry that makes one round trip but that that can handle expected loads. Operating three shuttle ferries continuously in routes where passenger and vehicle numbers vary widely from day to day, and month to month.
- Long term effects of proposed changes to ferry replacement program. It is well understood that our aging fleet of smaller day boats and larger mainliners are in serious need of replacement. The cost the proposed changes to the system will most likely preclude moving forward with a sensible vessel replacement program for routes outside of the Lynn Canal. It is unknown what these new shuttle ferries will eventually cost but the road portion of the shuttle system (Juneau Access) is estimated to be over 400,000,000\$. The 2014 STIP reflects only a portion of that (260,000,000\$) How do you propose to pay for the replacing our aging fleet and also pay for a project for one part of the system which will cost over ½ a billion dollars?
- The majority of the people in the communities of the upper Lynn Canal do not support the road shuttle concept, The reasons are mainly safety, reliability, and ease of travel. The mainline routes to the upper Lynn Canal are extremely important to the State of Alaska providing freight corridors, moving military families to the interior, and providing a good portion of the revenue for AMHS. It has recently been stated that under the road, shuttle concept the mainliners will turn around in Juneau.
- It is our concern that this change in direction does not have strong support throughout the effected routes and that the long term effects will diminish the Alaska Marine Highway Systems ability to move people and goods throughout the coastal areas of our great State.

SEC Board



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

**Department of Transportation and
Public Facilities**

OFFICE OF THE COMMISSIONER
Pat Kemp, P.E., Commissioner

3132 Channel Drive
P.O. Box 112500
Juneau, Alaska 99811-2500
Main: 907.465.3900
Fax: 907.586.8365
dot.state.ak.us

January 9, 2013

Marine Transportation Advisory Board
Mr. Robert Venables, Chair
P.O. Box 50
Haines, AK 99827
Venables@aptalaska.net

Dear Chairman Venables and Board Members:

I am writing to inform you of my intentions regarding the filling of Department of Transportation and Public Facilities Deputy Commissioner vacancies. As you know, Alaska Statute Title 19, at Section 19.65.110. Powers, duties, and functions states:

(a) After the Commissioner of Transportation and Public Facilities has considered one or more candidates for the position of director or deputy commissioner of the Alaska Marine Highway System (AMHS) the commissioner shall confer with the board regarding that candidate or those candidates before making an appointment to that position. The selection of those candidates shall be without regard to political affiliation.

Under the previous Commissioner's organization, there was a Deputy Commissioner for each of the following: Marine Operations, Highways & Facilities, and Aviation. Under that organization the Deputy Commissioner, Marine Operations had as his sole responsibility the Alaska Marine Highway System. The statute required the Commissioner confer with the Board before making that appointment. I am changing the organizational structure such that my deputies for aviation and AMHS will have greater areas of responsibility and I anticipate this will be somewhat fluid as needs and priorities change. As such there will be a Deputy who has as part of his/her responsibility oversight and coordination of the AMHS, but there will be no Deputy Commissioner of Marine Operations. There will continue to be a Director of the Marine Highways, with the title of AMHS General Manager. This is similar to the situation with our

"Get Alaska Moving through service and infrastructure."


Regional Directors, who manage a geographic region of the state's highways, airports, harbors and other facilities with assistance /guidance from the Deputy Commissioners.

Given the reorganization as described above, with no Deputy Commissioner of Marine Operations, I do not intend to confer with the Board regarding the appointment of Deputy Commissioners. I will consult with the Board before appointing a new AMHS director should a vacancy in that position arise. I realize the statute and past organizational structure may create an expectation that there will be a Deputy Commissioner of AMHS and therefore I want to make my intentions clear before I make Deputy Commissioner appointments.

I look forward to working with you and the board, especially with the exciting change in direction with the Alaska Class Ferry project.

Sincerely,

A handwritten signature in black ink, appearing to be 'Pat Kemp', with a long horizontal line extending to the right.

 Pat Kemp, P.E.
Commissioner



MUNICIPALITY OF SKAGWAY

GATEWAY TO THE KLONDIKE
P.O. BOX 415, SKAGWAY, ALASKA 99840
(PHONE) (907) 983-2297
(FAX) (907) 983-2151
www.skagway.org

January 4, 2013

Alaska Department of Transportation and Public Facilities
Division of Program Development, ATTN: STIP
P.O. Box 112500
Juneau, AK 99811-2500

RE: STIP Amendment 4

To Whom It May Concern:

This letter contains the Municipality of Skagway's comments on Amendment 4 of the 2013-2015 Statewide Transportation Improvement Program (STIP).

The most significant change in Amendment 4 affecting Skagway and the upper Lynn Canal region is the addition of more than \$260 million in FFY14 and FFY15 for Juneau Access: Glacier Highway MP 40.5-91.1. The present STIP through Amendment 3 contains less than \$50 million for this project. Most of the Amendment 4 money is slated for actual construction. (There is an error in the FFY 15 column for this project: the total should be \$100 million, not \$20 million.)

This allocation of large amounts of construction funds to a project with an unknown future is a troubling development. This is of particular concern given the controversial history of the Juneau Access road alternative. The Environmental Impact Statement (EIS) for this project is presently undergoing a supplemental review required by a 2009 Alaska District Court ruling that was upheld by the 9th Circuit Court of Appeals. That decision found the EIS inadequate because it did not thoroughly analyze enhanced ferry service. According to Alaska DOT & PF, the supplemental draft EIS will not be available for public comment until after July 2013.

The Municipality believes it is premature to include significant amounts of money in the STIP to construct the Juneau Access road alternative when the final EIS's preferred alternative is yet to be determined.

The Municipality asks that the allocation for the Juneau Access project in STIP Amendment 4 be reduced to the STIP Amendment 3 amounts.

The Municipality also asks that a portion of the state funds and the other state funds proposed for the Juneau Access project in Amendment 4 be allocated instead to the Alaska Class Ferry project (STIP Need ID: 24433) to cover the apparent budget shortfall in that ferry construction project.

The Municipality also asks that the comment period for STIP Amendment 4 be extended thirty days to February 7, 2013. To have a good portion of the comment period occur over the holiday season when many Alaskans are travelling out of state and occupied with the holidays diminishes the public's ability to comment on this important planning document.

An extended public comment period will also allow the opportunity to review and comment on the Governor's December 4, 2012, decision to change the Alaska Class Ferry project from construction of one vessel to two smaller vessels. This action raises major questions about the direction of the Alaska Class Ferry project, but gives the public no opportunity to review what factors went into the Governor's decision. The public must have an opportunity to review and comment on the issues raised by the Governor's unilateral decision to change the Alaska Class Ferry project.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in cursive script that reads "Stan Selmer".

Mayor Stan Selmer
Municipality of Skagway

Rebecca Rooney

From: Brooke Elgie <brookeelgie@gmail.com>
Sent: Tuesday, January 15, 2013 8:37 PM
To: Rep. Peggy Wilson
Cc: Representative_Eric_Feige@legis.state.ak.us
Subject: ferries

The Governor's new ferry plan is WRONG on two counts:

It is WRONG to unilaterally discard years of ferry planning done by professionals and supported by public input.

It is also WRONG to suppose that open deck ferries will serve the needs of isolated bush communities like ours where a great deal of our basic supplies are brought in by ferry and where trips can be as long as 12 hours in horizontal rain and snow. Open deck baggage storage and no food service – in winter???

Please tell the Governor “NO”

Brooke Elgie

Wendy Stern

Tenakee Springs

Rebecca Rooney

From: Linda Kadrlik <adventuresafloat@gci.net>
Sent: Wednesday, January 16, 2013 7:32 AM
To: Senator_Dennis_Egan@legis.state.ak.us; Rep. Peggy Wilson
Subject: Alaska Class Ferry

I am opposed to Gov. Parnell's decision to build two smaller ferries instead of the already approved Alaska Class ferry. Surely funding can be found to build this more appropriate ferry for southeast Alaska. Perhaps Gov. Parnell should try to get to Skagway by ferry during a winter storm, and then he would know why we need the Alaska Class ferry. Let me know how I can help. Linda

Adventures Afloat
Francis and Linda Kadrlik
4950 Steelhead, Juneau, AK 99801
(800) 3AFLOAT, (907) 789-0111
FAX: (907) 789-3312
<http://home.gci.net/~valkyrie>

Rebecca Rooney

From: Linda Kadrlik <adventuresafloat@gci.net>
Sent: Wednesday, January 16, 2013 7:29 AM
To: Senator_Dennis_Egan@legis.state.ak.us; Rep. Peggy Wilson
Subject: Alaska Class Ferries

I am opposed to Gov. Parnell's decision to build two smaller ferries instead of the Alaska Class Ferry already approved. Surely we can find the money to fully fund that ferry instead of the smaller ferries that won't provide as much secure transportation. Maybe Gov. Parnell should ride the ferry up L

Adventures Afloat
Francis and Linda Kadrlik
4950 Steelhead, Juneau, AK 99801
(800) 3AFLOAT, (907) 789-0111
FAX: (907) 789-3312
<http://home.gci.net/~valkyrie>

Rebecca Rooney

From: Rob Goldberg <artstudioalaska@yahoo.com>
Sent: Tuesday, January 15, 2013 9:43 PM
To: Rep. Peggy Wilson
Cc: Representative_Eric_Feige@legis.state.ak.us
Subject: Alaska Class Ferry

To: Alaska State House and Senate Transportation Committee Members

Re: Alaska Class Ferry

Last month, just before Christmas, my wife and I embarked on a trip to take our kids to Florida to see their grandparents. We were scheduled to leave Haines on a Friday, on the LeConte, in order to catch the jet out of Juneau on Saturday. The weather was bad all that week, with temperatures in the single digits, north wind gusting to 75mph, 15 foot seas in Lynn Canal and heavy freezing spray. Wednesday's run of the LeConte from Juneau to Haines was cancelled because of the dangerous conditions. Thursday morning we made a decision to go to Juneau a day early, on the Taku. It cost us an extra night in a hotel in Juneau, but we made our flight. Friday's run of the LeConte was cancelled.

The LeConte is 235 feet long. The Taku is 352 feet long. The difference in length and volume between the two ferries makes the difference between being able to operate safely in Lynn Canal in the winter, or canceling trips. It also makes the difference between everyone on board being sick and everyone being comfortable.

After much public input from people who actually depend on the ferry system, the new Alaska Class ferry was designed to be about the size of the Taku. Anything smaller will not be safe and reliable in Lynn Canal in the winter.

The governor's abrupt decision to cancel the Alaska Class ferry and replace it with two, smaller, open decked ferries is an insult to Alaskans who need the ferries to travel in the winter. They simply will not work. The state will be repeating the mistake made when the Fairweather and the Chenega were tried in the Lynn Canal.

I don't like to attribute motive, but the governor's two shuttle ferries are suspiciously similar to the ones proposed by DOT for the East Lynn Canal road. If the governor wants to kill the ferry system and build a road, he should just say so.

I know a bit about the proposed East Lynn Canal road. I wrote the Haines Borough's comments on the draft EIS years ago. I'm also one of the few people who has actually had boots on the ground over there, on mountaineering trips. I can tell you with certainty that the road would be vastly more expensive than advertised. The terrain challenges are enormous. A road would be dangerous and closed by avalanches much of the winter. Any shuttle ferry would have to be the size of the Taku, or the Alaska Class ferry, to be able to operate safely in the winter between the Katzehin terminal and Haines and Skagway.

If we need an Alaska Class ferry to be the shuttle, why build a road? It would be a huge waste of money. Access to Juneau would be made worse, not improved.

I urge you to tell the governor to restore the Alaska Class ferry. His two smaller ferries just won't work.

Sincerely,
Rob Goldberg
Haines

Rob Goldberg and Donna Catotti
Catotti and Goldberg Art Studio
PO Box 1154 Haines, AK 99827 USA
907-766-2707
artstudioalaska.com

Rebecca Rooney

From: H Unruh <unruh5832@yahoo.com>
Sent: Tuesday, January 15, 2013 4:58 PM
To: me
Subject: Re: Proposed ferries for Lynn Canal

Dear Alaska Representatives & Senators,

It is my understanding that Governor Parnell recently made a unilateral decision to change the direction of the new Alaska class Ferry----against the wishes of the SE Legislators. His preference for smaller, partially open-deck ferries to operate in Lynn Canal seems to be based on ????? There are two years of legislative review and public process (people who actually depend on ferry travel) which concluded that large, safe and reliable ferries are what is needed.

Anyone who has been on a ferry in inclement weather would probably not want to depend on a smaller partially open-deck ferry!

I hope you will fight for reasonable, safe, reliable ferries. Perhaps send the governor & his friends on one of the smaller ferries up Lynn Canal during a storm.

I hope you will resist the Governor and Department of Transportation Commissioner Pat Kemp as they attempt to circumvent the public process. In all cases, but especially when it may mean life or death to those who depend on the ferry system for transportation.

Thank you for taking a stand.

Helen Unruh

Rebecca Rooney

From: Robert Andrews <andrews@aptalaska.net>
Sent: Tuesday, January 15, 2013 5:06 PM
To: Rep. Peggy Wilson
Subject: Ferries

Governor Parnell's unilateral decision to scrap the Alaska Class ferries and, instead, pursue some scaled-down open deck vessel is completely at odds with the public process and does not consider the needs of winter-traveling Alaskans. Our ferries need to be safe and reliable in all weather conditions, both summer and winter. Even if these Alaska Class vessels exceed the original cost estimate, they will be worth it in the long run with added dependability.

It is not the governor's place to take it upon himself to replace a program that has been well thought out and arrived at with due public process.

Sincerely,
Robert A. Andrews

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 16, 2013

SUBJECT: Marine Transportation Advisory Board
(Work Order No. 28-LS0316)

TO: Representative Peggy Wilson
Attn: Becky Rooney

FROM: Hilary Martin 
Legislative Counsel

Under AS 19.65.180(a), the commissioner of transportation and public facilities must consult with the Alaska Marine Transportation Advisory Board regarding candidates for the position of "director or deputy commissioner of the Alaska marine highway system."¹ You have asked if the Department of Transportation and Public Facilities reorganizes so that there is no longer a person with the title of "director" or "deputy commissioner" of the Alaska marine highway system, whether the department would still have to consult with the board.

Consultation Requirement

Under the statute, the commissioner must consult with the board regarding candidates for the position of "director or deputy commissioner of the Alaska marine highway system."² The language does not necessarily apply to a specific division or section within the department, but to the Alaska marine highway system (AMHS) in general. The intent of the statute seems to be that the commissioner must consult the board regarding the candidates for the position, even if the position is not titled "director" or "deputy commissioner".³ One could also argue that the section refers generally to the "director"

¹ The full language of AS 19.65.180(a) is:

After the commissioner of transportation and public facilities has considered one or more candidates for the position of director or deputy commissioner of the Alaska marine highway system, the commissioner shall confer with the board regarding that candidate or those candidates before making an appointment to that position. The selection of those candidates shall be without regard to political affiliation.

² AS 19.65.180(a).

³ The committee minutes support this interpretation. When discussing the language of this statute, staff to the sponsor stated that both director and deputy commissioner were

Representative Peggy Wilson

January 16, 2013

Page 2

or "deputy commissioner" of the division or other segment of the department with responsibility for management of the AMHS.

Constitutionality of Consultation Requirement

Even if the department is still required to consult with the board, the consultation requirement itself might be unenforceable as it infringes on the power of the executive. The Alaska Supreme Court has held "that the appointment of executive officers is an executive function."⁴ The governor's power cannot be shared with another entity, including the legislature or a board, unless specifically provided for in the constitution.

The consultation requirement could therefore be invalid on separation of powers grounds. However, because it is only a consultation requirement, and does not require the board to create a list of candidates, or require confirmation of the selection, the statute could be valid. The attorney general seems to support this reasoning, recommending in one case that a requirement that the governor choose from a list of candidates supplied by a council be changed to a consultation requirement.⁵ The statute does not require that the commissioner follow the recommendation of the board, only that the commissioner "confer with the board regarding the candidate." Therefore, it is possible that as the statute is only a consultation requirement, it does not infringe on the power of the executive.

If I may be of further assistance, please advise.

HVM:Ind
13-018.lnd

included in the bill because the administration had changed the title of the position before, and so both titles were included "to allow for whichever of these positions an administration decides to appoint." House Transportation Committee meeting, pg. 15, March 27, 2008.

⁴ *Bradner v. Hammond*, 553 P.2d 1, 6 (1976).

⁵ 1981 Inf. Op. Alaska Att'y Gen. (April 23; J-66-698-81).