

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672

6732 SENATE TRANSPORTATION

1136

2.9 - Spares

The present procurement process is crippling the fleet and leading both to increased direct costs and paperwork. Neither are necessary.

Clear policies must be set out that permit the fleet to operate safely, efficiently and economically, but at the same time maintain the spirit of the state's fair bidding process.

Section 3.9 sets out a recommended policy, without which an HMS cannot function.

Both the spares and the stores function will be seriously impacted by the decision to move terminal operations to Bellingham.

3 COMPONENT REVIEW

3.1 - AMHS Management

Current management of the AMHS is inadequate to the needs of the fleet and would not be able to gain any benefits from a maintenance management system.

There are three steps needed to save the fleet from an early demise

- 1) separate the AMHS from the DOI/PF
- 2) enable AMH to retain revenues
- 3) create a lean, efficient and professional marine management team.

Unless this process can be achieved, and soon, there is little hope for the continuation of an effective fleet, and no hope for an MMS.

3.1.1 - Separation from DOI/PF

Because the ferry fleet is an integral part of the Department of Transport and Public facilities, its administration and directives are essentially political rather than business orientated. While the State had access to unlimited funding, this situation did not matter much, funds could be found to implement directives.

However reducing funding while at the same time imposing more and more public burdens on the fleet (e.g KSI) creates intolerable pressures.

The fleet cannot, on the one hand, save money while on the other spend additional sums through state programs. Either greater funds are provided or the AMH must be able to manage itself in a business like manner.

3.1.2 - AMH to Retain Funding

The AMH is remarkable in that given the social obligations of the service, it is able to return close to 60% of its operating costs. By comparison Marine Atlantic, a Crown Corporation in Canada returns less than 40% of its costs.

The AMH may never, because of the social obligation nature, its route and service characteristics, be able to return a profit on operating costs. However it could return better than 70% given the opportunity to manage itself in a business like manner.

An essential part of this is to enable the AMH to retain its revenues. Without that there is no incentive for management to maximize revenue and the current situation will continue to apply - minimize costs at all cost.

There will need to be top up funding by the state, but this top up will be a known and budgeted amount each year. It can be negotiated as part of the agreement to establish a separate entity.

CIP funding can still be utilized for life extension and major refurbishment programs, with the AMH knowing in advance, how much would be available and being able to budget accordingly. The planning process for this work would also benefit from better operational input.

3.1.3 - Create a Lean, Efficient and Professional Marine Management Team

Current management and staffing for administrative purposes is outlined in the organization chart on the following page. From this outline it will be seen that there are only two persons with

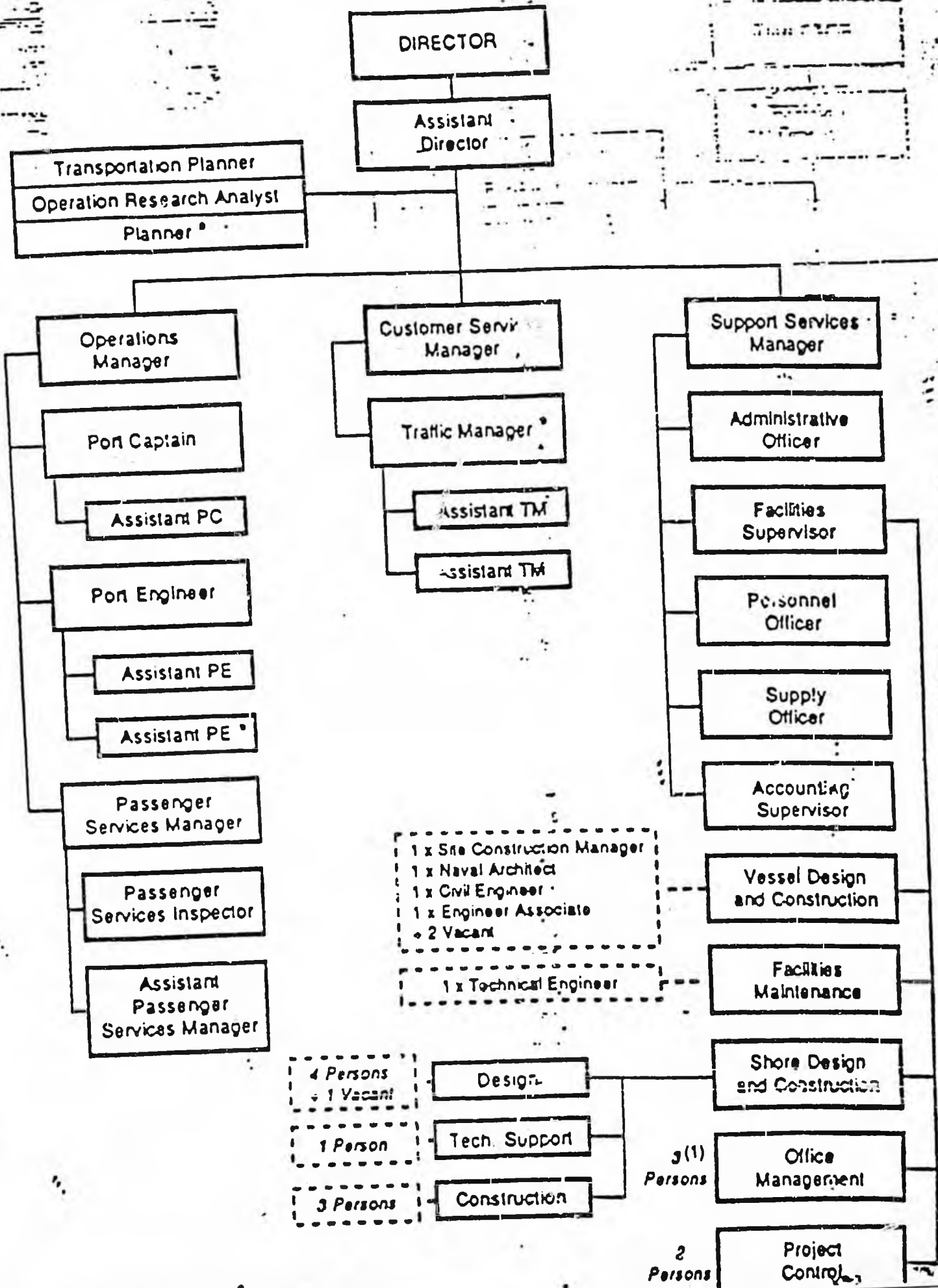
direct-marine experience involved in running the maintenance activity of a fleet of nine ageing ferries, plus one person responsible for crewing and deck department.

On the other side of the fence there are 5 persons involved in vessel design and construction, only one of whom has any direct qualifications for such activity. There are a further 8 persons in shore design and construction.

There are innumerable other persons involved in different support areas, but the basic operation of the fleet comes down to a totally insufficient core group of 5 marine professionals. This group is too small to do other than react to emergencies, it cannot plan for effective future maintenance and operational activity of the fleet. Without reinforcement with good calibre marine professionals it will be unable to support the fleet let alone administer an MMS. Other fleets reviewed relative to their use of MMS consider it important to have no more than three ships assigned to an individual asst. port engineer. A revised management structure and staffing is provided.

Capital projects appear to be developed and progressed without the benefit of any input from the ship involved or operations. Nor is there any effort to undertake a life cycle costing exercise to determine, over time, what the alternatives are and what the least cost solution will be.

At present money is wasted because of a lack of feedback between departments relative to CIP projects, many of which appear to be unnecessary in the form in which they are implemented.



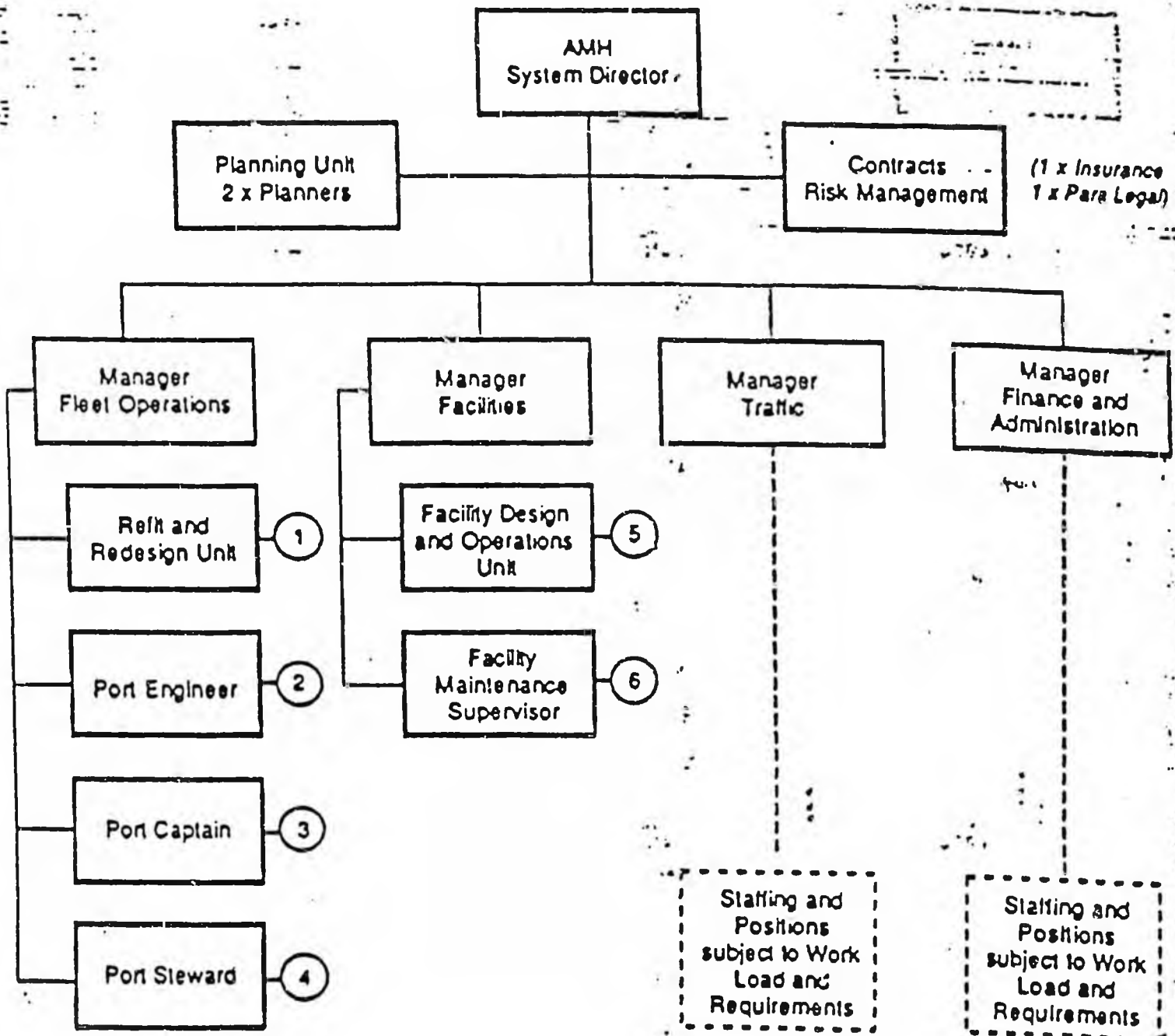
(1) Secretarial

• Position Vacant

3 (1) Persons

2 Persons

RECOMMENDED FUTURE AMH MANAGEMENT STRUCTURE



- | | |
|--|--|
| <p>① Naval Architect x 1
Marine Engineer x 1</p> <p>② Assistant Port Engineer SW, based in Valdez
Assistant Port Engineer x 2 in Ketchikan
Procurement x 1 in Ketchikan
Storeman x 1 in Ketchikan
Technical Procurement x 1 in Bellingham</p> <p>③ Assistant Port Captain x 2
Safety Officer x 1</p> | <p>④ Assistant Port Steward x 2
Hotel Supplies Procurement x 1 in Bellingham</p> <p>⑤ Civil Engineers x 2
Technical Assistance x 1</p> <p>⑥ Assistant Facility Supervisors x 2</p> |
|--|--|

For any major project, the project team should consist of the ship department head involved, representatives from Port Engineer, Port Captain and Port Steward as appropriate, the CIP project manager, planning and contracts. In this way the project manager has the benefit of operational advice relative to the activity being considered; the implications relative to ship support are fully understood; planning is able to develop a fully built up future cost rationale for different solutions that enable informed choices to be made, contracts have an experienced review panel available to make sure all eventualities are covered, and last, but not least the ship is involved in the process from beginning to end, leading to better relationships between ship and shore.

3.2 - Accounting System and Cost Control

At the present time the AMHS knows how much was spent in any given year, but not the detail of where it was spent. Some sections can be identified - for example fuel and personal services. Some detail is potentially available e.g. Stewards and Pursers supplies, but all detailed data is suspect because of the extraordinary complexity of the coding process for access to AKSAS.

A steamship accounting system is unique only in the sense that it has more relationship with other transportation systems such as air or rail than it does with conventional business accountancy. Thus the chart of accounts for the AMHS must reflect, both on the cost and revenue side, the unique requirements of financial reporting for a ferry fleet.

A logical framework, which need not exceed 7 digits, but can be used at a much higher level, is all that is required to provide managers with realistic data within each department. By integrating this coding system with the MMS, invoices can be readily assigned to the

appropriate department and budget allocation versus actual costs retrieved readily by ship or fleet at any point in time.

Acres has prepared, and submitted on March 22nd a preliminary chart of accounts that uses a logical breakdown of areas to provide the essential detail needed.

These codes may be used in conjunction with AKSAS to enable management to retrieve data on a timely basis and have on-line access to high quality comparative information. Because of the lack of historical data, budgeting for future costs is almost impossible, except on a guesswork basis. Thus a ship orientated cost capture system will assist in identifying areas where excessive costs are involved.

3.3 - Procurement

The current procurement policies mandated for the fleet have imposed a crippling time and paperchase burden on the proper functioning of the AMHS. They also lead to increases - rather than decreases, in the cost of maintenance and operation.

It must be recognized that a ferry fleet operates 365 days each year with many thousands of pieces of equipment that are essential to its safe and effective operation. Much of this equipment is sole source and cannot be bid in a conventional manner. Operations management must therefore be free to make decisions that are in the best interests of the fleet and the state.

This is not to suggest that operations and vessels should have carte blanche to purchase whatever, whenever and wherever, but that there should be a sensible set of policies laid down that are easy to administer and enable the fleet to be operated effectively.

-There must also be a recognition that stores and spares are two different areas. Consumable stores may be planned, while spares and parts are, at the present time totally unplannable. In the future, the introductory of an MMS will increase the proportion of preplanned spares and thus the quantity that can be bid under state procurement policies, but an MMS will never eliminate the need for ship and shore to respond promptly to specific requirements.

There should be an agreed list of sole source vendors for unique items that cannot be bid in a conventional manner. For spares and maintenance on these items it should be agreed that operations has the freedom to order when needed. This sole source listing could be made available on demand and made subject to an appeal process. Examples are MAK engine components and Syncrolifts for the terminals.

There should be an agreement that certain circumstances will preclude the normal bid process. These might be:

- . Ship Safety
- . Ship Certification
- . Ship Scheduling
- . Traffic Emergencies.

Purchasing limits for direct purchase without quote, purchase by telequote, purchase under state purchasing guidelines, must be set at realistic levels and either updated annually to reflect cost increases, or reviewed at no less frequently than 2 year intervals to set new levels.

3.4 - Management/Staff Relationships

Disillusionment of ship crews in management is so great, it is difficult to see how, with the present set up there can be any meaningful dialogue relative to maintenance management. There is,

—rightly or wrongly, a pervasive belief that much of management is unable or unwilling to comprehend the needs of the fleet: There certainly appears to be too little contact between operators and the fleet (which is understandable given the work pressures they are under) and no contact whatsoever with senior management, planning and contracts people.

No fleet can effectively operate without regular feed back between ship and shore. This feed back comes in two forms:

1) Regular meetings of heads of departments

The Chief Stewards meet annually, but Masters, Chief Engineers and Pursers do not appear to have the opportunity for such meetings.

2) Riding the vessels

Management must be out in the fleet more to be able to understand crew positions on issues and appreciate the impact of what is being planned or considered relative to individual vessels and the fleet as a whole. Operations must have the time to be able to do this and so must senior management and planning.

The concept of ship maintenance requests (SMR's) is good. However there is too little feed back to the ship relative what will or will not be implemented and the reasons. In the absence of firm information it is human nature to think the worst and come, perhaps, to unwarranted conclusions.

The "Katanouska" experiment in January this year is a step in the right direction, but does not enable specific policy issues to be addressed on a departmental basis. While such meetings may have a place in management/staff relationships they cannot be the sole forum.

Maintenance Management will require detailed discussions at a departmental level both at the concept stage and during implementation, to ensure that the principles are understood and concerns are properly addressed.

The current maintenance efforts are in a state of turmoil because of newly mandated purchasing policies that make it almost impossible for the ships to be maintained in a timely and cost effective manner.

The discussion in section 3.3 of this report on procurement addresses this vital issue.

3.5 - Maintenance Management

3.5.1 - Ship

Maintenance Management on the Alaska Marine Highway currently only exists at the ship level for regular planned maintenance activity. There is no effective preventative maintenance system in place within the system for either ship or shore equipment.

Methods of handling planned maintenance are as numerous on these ships and chief engineers. However, from the simplest blackboard system to the most sophisticated, using PC's, they achieve their purpose of reinforcing the chief engineer's understanding of the machinery and equipment in his care.

However the present ship systems are almost exclusively organized to meet the needs of the engine room and do not extend to deck machinery, Galley, Hotel items etc. Thus there is no comprehensive ship system in the vessels.

Because of the varying degrees of sophistication in planned maintenance activity within the fleet, a full featured MMS introduced across the fleet would be doomed to failure. The approach must be to provide a system that can effectively be used at as simple or as complex a level as the chief and his 1st engineer require and are prepared to support. The incentive must always be there to make use of all the systems capabilities; but it should function adequately even if only the top one or two levels are being used.

While there is some weekly and monthly reporting by engineering crew to management, there is insufficient manpower in head office to undertake even minimal analysis.

There is general acceptance and interest in the possible introduction of a comprehensive system that could, through different attributes, be used widely on the ship. For example Purser's and Stewards departments have indicated that various aspects of their documentary work could readily be "computerized".

An essential starting point for any "planning" exercise is an understanding of the condition of the asset base for which the plans are being formulated. While this is available, in terms of annual inspection reports for marine facilities, nothing is available on the fleet. ABS and USCG inspection reports simply record whether or not the vessel meets statutory criteria for classification or certification purposes, at the point of inspection. They do not offer an opinion and are not part of a planning document.

The AMH needs complete independent condition surveys on each vessel to be able to commence the planning process for both regular maintenance and major refit work. These condition surveys, together with commentaries provided by chief engineers, master, 1st mate, Port

Engineer, Port Captain and Port Steward will provide an essential-basis for ship history files that do not at present exist.

Information derived from these documents enables management to determine corrective maintenance requirements; to bring the vessel up to a "bench mark" condition. Future planned and preventative maintenance and refit activity may then be measured against this benchmark and be planned from it.

Current reporting from the ship is in the form of weekly and monthly reports. If there are major problems while the ship is underway, then a Coast Guard incident report must be filed.

Weekly Report

Non mandatory in terms of content and thus its use as a fleet planning and vessel history document is limited. Current content of the single page (letter size) report includes the following:

- . Personnel Changes
- . Fuel Bunkered
- . Fuel Used
- . Summary of major work undertaken.

Monthly Report

Is mandatory in terms of content, but is primarily fuel orientated with fuel bunkered and location, on hand start and end month, used per day and per mile. Lube oil consumption Engine and Auxiliary running hours. No details are requested on non routine maintenance. Copies of representative monthly and weekly reports are incorporated with this review in the appendices.

Engine Logs

Engine logs are stored in Juneau. These should however be retained in the Port Engineers office in Ketchikan and form part of each vessel's machinery history.

Some monitoring of machinery condition is accomplished through Lubricating oil analysis. However no trend analysis is undertaken within AMH and because of the varying labs involved, consistent histories are not available. If lubricating oil analysis is to be used as a component of machinery condition trends, then consistent comparative histories must be maintained and used.

3.5.2 - Shore

As noted previously facilities conduct an annual condition survey for each terminal. Two maintenance runs are made each year plus any emergency work that is needed by a contract crew from Public Facilities. The crew is part of the group which supports all public buildings within S.E. Region. Regulatory requirements are nominal and involve only OSHA, who inspect infrequently.

Systems involved in the maintenance requirements included Emergency generators, electronic controls, 3 Synchrolift systems, hydraulic systems, coating systems, Cathodic Protection.

A formal MMS that incorporated shoreside equipment would be valuable in being able to generate a maintenance calendar and history for each item. With more sophisticated machinery and equipment now in place, a more comprehensive work order and work description orientated system will be needed that will supercede earlier "lubricate and check" procedures. Facilities maintenance are moving in this direction and will need a formal system within the next 2-3 years as original components wear and require replacement.

3.6 - Risk Management

AMH Marine risk includes standard Hull and Machinery, Pollution, Protection and Indemnity, to \$200 million. There is a \$1 million dollar retention or deductible on each incident, which is self insured by the Department of Risk Management. FY 1990 premium will be \$2.8m which, given the size, age and operating characteristics of the fleet is excellent, although it apparently does not cover full replacement value of the vessels.

In general, maritime law has tended to limit shipping companies liability for loss or damage arising out of a marine incident, in the absence of actual fault or privity on the part of senior management. Historically it has been sufficient for management to be able to demonstrate that it believed it had appointed a competent master, for this limitation of liability to be accepted.

However precedent in recent years, as established (as in the cases of the "Marion", "Garden City" and "The Lady Gwendolyn",) has considerably reduced the efficiency of the historic argument. This may be summarized by the UK House of Lords in the case of "The Lady Gwendolyn" wherein it was stated:-

"It seems to me that any company which embarks on the business of shipowning must accept the obligation to ensure efficient management of its ships if it is to enjoy the very considerable benefits conferred by the Statutory right to limitation".

"The Lady Gwendolyn" was the first case in which the responsibilities of management were spelled out, the subsequent cases of the "Marion" and the "Garden City" consolidated the premise into both the need to establish proper controls and to ensure that the requirements of those systems and controls are being followed. For example Exxon will find it hard to limit liability in the Valdez spill because the master was known to have had a "substance abuse" problem.

Risk Management for a ferry fleet and safety, in its broadest sense, go hand in hand. First it is necessary to identify the risk. On the AMHS, with a high proportion of retired people on board at all times and all embarkation/disembarkation via the car deck, there is a very real risk of injury simply in getting on and off the ships. Other matters that can increase risk are:

- Hold down chains
- Oil, water or ice on decks or lack of non slip paint
- Cramped stairways
- Loose or inadequate hand rails
- Lack of signage or lighting
- Unmarked doorsills and stairways
- Loose chairs or tables
- Lack of a clear access route for foot passengers
- Poor emergency information.

The list is endless, but very real in the ability of a minor defect to create a major claim.

The ship operator must thus minimize those risks that are unavoidable, and seek to diminish the impact of any problem that may occur.

Some measures may be taken to minimize risk and adequately prepare management should a problem occur.

1. Issue, and keep updated on a regular basis, a book of standing instructions for each vessel in the fleet.
2. Keep informed of developments relative to tort or negligence, transportation regulatory matters, and marine and liability assurance.

3. Establish procedures for compiling investigative reports of any incident to ensure a balanced view is available. These procedures should include witness statements and the proper approach to these statements.
4. Hold seminars and workshops on legal and insurance matters for management and senior crew. The Pursers and Stewards departments need to be intimately involved in these discussions.

These seminars should cover personal injury situations as well as vessel collision/stranding and vehicular damage scenarios.

The above commentary has covered, primarily, the risk of passenger injury and the impact on the AMH. However both management and senior deck and engine crew need to be aware of the extent of more conventional coverage for Hull and Machinery damage, Pollution liability and Protection and Indemnity coverage. The same procedures should be followed in terms of keeping informed of developments and making sure that each year the coverage is known and understood.

The AMH should also have instituted a set of formal guidelines relative to operation of the vessels and that these follow Coastguard requirements and specific service characteristics of the route.

Exemplary areas are:

- . Navigation equipment fully functional
- . No port departures on one engine
- . Propeller pitch fully functional
- . Limiting conditions for entrance crossings
- . Limiting conditions for areas of extreme tidal flows.

The best approach to these guidelines is via regular masters and chief engineers meetings, which should be held on an annual basis. In this way operating guidelines can be changed as Coastguard rules change, or service conditions change with new terminals.

3.7 - Stores

Stores are regular consumable items that can be predicted with some certainty, acquired in large volumes and warehoused by the AMH against need.

Examples are:

Deck Stores	Paint Cordage
Engine	Rags Solvents Lubes and Greases Nuts, bolts, O rings, clamps
Galley	Food Items Galley and Cafeteria Supplies
Stewards	Linens Soaps Cleaning Materials

Budgets can be set and a cost control system readily instituted. In fact many of the existing line items in the AMH module of AKSAS address stores items on each ship in the fleet.

Accounting should have a good knowledge of stores requirements, budget and achievement levels for every vessel over time. Engine stores will require locations to be found and formalized within each ship. See next section for more detail.

3.8 - Spares

The supply of spares in any fleet operation is a major problem that can only be partially resolved by an PMS. With a lack of commonality through the fleet in term of machinery and equipment, it is not really possible to achieve as good a central spares depot as might be desired. However it is possible to achieve some preplanned stocking of essential spares on both a ship by ship basis and a fleet basis.

At present spares are stored on board each ship, except for major items such as spare propellers and tail shafts and some engine and miscellaneous spares which are warehoused in Seattle. There is an urgent need to inventory this equipment and determine what is appropriate to the fleet and what may be sold or traded.

Because of the procurement system thrust on the AMH, there will be a tendency of the ships to overorder (i.e a just in case policy) on major spares items that are critical to ship operation, but which would involved major hassles if ordered on a just in time basis. Thus a sympathetic system relative to spares ordering will in fact reduce costs. The AMH will also have to be prepared for considerable increase in cost and logistical problems relative to spares with the move to Bellingham. Where a supplier or agency could supply material virtually on call in Seattle, the three hour drive to Bellingham will make it necessary for a full day plus travel costs and possibly accommodation costs to be charged against a service call.

Shipboard Spares

Only the "Columbia" has a single custom made stock room for ship board spares. Other ships e.g "Taku" have fabricated locations, but most store spares in many locations. As a result finding a spare part that is known to be on board becomes a major problem.

Each vessel will need to be reviewed relative to available space and parts needs and store rooms fabricated and outfitted. It will not be possible to concentrate everything in one place (there is insufficient space available) without affecting revenue earning space. However much better organization can be provided and the spares and engine stores activity streamlined.

3.9 - Contracts

At the present time contracts prepared by facilities and planning are far too complex and contain a considerable amount of non-essential and inappropriate language. At a rough estimate, in excess of 60% of contract sections are unnecessary relative to a marine job.

On the other hand contract documents prepared by marine operations, while simpler and more to the point, omit many background clauses that provide both guidance and protection relative to shipyard bid work.

The optimum contract is thus somewhat more comprehensive than present operations documents, but significantly less bulky than facilities contracts.

Standard contractual language and formats may be included in an MMS that will ensure a workable document is produced. We would recommend that AMH submits a selection of contract documents to two Consulting Marine Engineering companies for review and preparation of standard clauses relative to work which the AMH has undertaken by outside vendors. In preparing these documents, it should be kept in mind that the more complex and onerous the document, the greater the cost to AMH, without any material improvement in the product.

Contracts should contain clauses relative to:

- . Good workmanship
- . Welder qualification ABS certified or equivalent
- . Adherence to recognized quality standards e.g. AQAPI or an acceptable quality control manual
- . Paint systems to be applied within manufacturers requirements for surface preparation, humidity and temperature
- . Requirements relative to weld testing (ASTM) for all steel work
- . A realistic approach to liquidated damages. Daily rates should at the very least equate to earning capacity of the ship on a daily basis.

Unless work needs are highly specific, the AMH should avoid, to the extent possible, detailed design or over complex specification relative to shipyard work. Performance language places responsibility with the shipyard and gives the AMH more control in the event of an incomplete or unsatisfactorily completed project.

All contractual shipyard work requires proper supervision to both ensure completion is to satisfactory standards and is either within budget or has minimal overrun. This activity can only be effectively undertaken by qualified marine personnel. Use of contract personnel on a consulting basis is recommended as reinforcement to the Port Engineers Staff. Such involvement should not exceed 2% of contract value and will save more than this amount in eventual costs.

4 - RECOMMENDED ACTION

4.1 - Implementation within 6 Months

- (i) Overhaul procurement process in conjunction with operations to develop a responsive process for obtaining stores and spares that are needed promptly.

The basic criteria have to be:-

- (a) How long will the state procurement process take?
- (b) How soon are the items needed?

If (b) is less than (a) then procurement must proceed via an expedited route.

- (ii) Inventory ship stores and spares in Seattle, Ketchikan and Juneau. Determine what is needed in each location, whether none or more of Seattle spares can be moved to Bellingham or Ketchikan. Request list from ships of all onboard stores and spares by department. Request ships to give details of where and how they could provide proper stores and spares storage.
- (iii) Overhaul ship safety procedures. A knowledgeable senior marine person with the fleet should be designated as safety officer and given time, budget and staff support, to review current procedures and introduce in conjunction with the vessels "Standing orders".
- (iv) Contract for baseline surveys of each ship in the fleet. This activity is essential for any MMS. This activity should cost no more than \$30,000 over all vessels and would include written detailed reports, with recommended remedial action. Work will probably need to be spread over 12 months in order to permit

in dry-dock and afloat inspections. The inspections should include a current resale value and a replacement value on each vessel and should be undertaken as if the AMH were buying the vessels from a third party and wished to be made aware of all and every identifiable problem relative to each ship.

Implementation as soon as Possible

Reorganize the management structure to be responsive to the needs of running a ferry fleet. This will require more people in marine operations and less in other areas. See management structure.

Commence approaches regarding separation of AMH from DOTPF into state corporation. The Alaska Railroad can be used as a model.

Introduce a simplified accounting system that properly identifies the functional areas of the ferry operation.

Establish a system by which meaningful, regular exchanges between ship and shore can be undertaken.

- EMPLOYEE BENEFITS

EMPLOYEE BENEFITS

CAPT. & C/E BENEFITS
DECK CREW BENEFITS
ENGINE CREW BENEFITS
STEWARDS DEPT. BENEFITS
CATERING STAFF BENEFITS

LS - CONTROLLABLE OVERTIME

CONTROLLABLE OVERTIME

CAPT. & C/E OVERTIME
DECK CREW OVERTIME
ENGINE CREW OVERTIME
STEWARDS DEPT. OVERTIME
CATERING STAFF OVERTIME

S - DECK CREW WAGES

DECK CREW WAGES

OFFICERS WAGES
AB WAGES
OS WAGES

LS - ENGINE CREW BENEFITS

ENGINE CREW BENEFITS

ENGINEERS BENEFITS
MECHANICAL ASSISTANTS BENEFITS
OILERS BENEFITS
ELECTRICIANS BENEFITS

LS - STEWARDS DEPT. OVERTIME

STEWARDS DEPT. OVERTIME

PURSER'S OVERTIME
CLEANING STAFF OVERTIME
OTHER HOTEL STAFF OVERTIME

FOURTH LEVEL - PERISHABLE PRODUCE

15100 PERISHABLE PRODUCE
15110 MEAT
15120 POULTRY
15130 FISH & SEAFOOD
15140 DAIRY PRODUCTS
15150 FRESH FRUITS
15160 FRESH VEGETABLES

TERTIARY LEVEL - RISK MANAGEMENT

16000 RISK MANAGEMENT
16100 P AND I INSURANCE
16200 HULL & MACHINERY
16300 3RD PARTY LIABILITY
16400 CATASTROPHIC RISK
16500 STRIKE INSURANCE
16600 EXCESS LINES

TERTIARY LEVEL - FUEL

17000 FUEL
17100 MAIN ENGINES
17200 AUXILIARIES
17300
17400

FOURTH LEVEL - MAIN ENGINES

17100 MAIN ENGINES
17110 NAVIGATING CONSUMPTION
17120 MANOUVERING CONSUMPTION
17130 IN PORT CONSUMPTION

FOURTH LEVEL - AUXILIARIES

17200 AUXILIARIES
17210 NAVIGATING CONSUMPTION
17220 MANOUVERING CONSUMPTION
17230 IN PORT CONSUMPTION

TERTIARY LEVEL - STATUTORY SURVEY & INSPECTION

18000 STATUTORY SURVEY & INSPECTION
18100 HULL
18200 MACHINERY
18300 ELECTRICAL
18400 PASSENGER SPACES
18500 SAFETY EQUIPMENT
18600 NAVIGATIONAL EQUIPMENT

FOURTH LEVEL - MACHINERY

18200 MACHINERY
18220 TAIL SHAFT SURVEY
18230

SECONDARY LEVELS - SHORE FACILITIES

20000 SHORE FACILITIES
21000 PERSONAL SERVICES
22000 REPAIR & MAINTENANCE
23000 STORES & SUPPLIES (DOCK)
24000 STORES & SUPPLIES (SERVICE AREA)
25000 FOOD SERVICES
26000 RISK MANAGEMENT ALLOCATION
27000 POWER & UTILITIES
28000 STATUTORY SURVEY & INSPECTION
29000

TERTIARY LEVELS - REPAIR & MAINTENANCE

22000 REPAIR & MAINTENANCE
22100 MOORING & FENDERING
22200 PASSENGER & VEHICLE TRANSFER
22300 PASSENGER & VEHICLE WAITING
22400 DOCK DECK & CATWALKS
22500 SUPPORT STRUCTURE
22500 DOCK ACCESS

SECONDARY LEVELS - ADMINISTRATION & PLANNING

40000 ADMINISTRATION & PLANNING
41000 VESSEL OPERATIONS
42000 CUSTOMER SERVICES
43000 SUPPORT SERVICES
44000 BUDGET
45000 PLANNING
46000 SYSTEM DIRECTOR

TERTIARY LEVELS - VESSEL OPERATIONS

41000 VESSEL OPERATIONS
41100 PERSONAL SERVICES
41200 COMMUNICATIONS
41300 OFFICE SUPPLIES, EXPENSES
41400 TRAVEL
41500 OUTSIDE SERVICES
41600

FOURTH LEVELS - PERSONAL SERVICES

41100 PERSONAL SERVICES
41110 PORT CAPTAIN
41120 PORT ENGINEER
41130 PORT STEWARD

TERTIARY LEVELS - SUPPORT SERVICES

43000 SUPPORT SERVICES
43100 PERSONNEL SERVICES
43200 COMMUNICATIONS
43300 OFFICE SUPPLIES, EXPENSES
43400 TRAVEL
43500 OUTSIDE SERVICES
43600

FOURTH LEVELS - PERSONNEL SERVICES

43100 PERSONNEL SERVICES
43110 ADMINISTRATIVE OFFICE
43120 PROCUREMENT & SUPPLY
43130 PERSONNEL & LABOUR RELATIONS
43140 FINANCE
43150 FACILITIES SUPERVISOR
43160

TERTIARY LEVELS - VENDING MACHINES

75000 VENDING MACHINES
75100 SHIP BORNE MACHINES
75200 TERMINAL/SHARED MACHINES
75300 OFFICE
75400 SHOP/WORK PLACE VENDING MACHINES
75600

FOURTH LEVELS - SHIP BORNE VENDING MACHINES

75100 SHIP BORNE VENDING MACHINES
75110 COFFEE/HOT DRINKS
75120 POP/COLD DRINKS
75130 SANDWICHES
75140 CONFECTIONARY
75150 CIGARETTES
75160

Sen. Coghill supports ferry system changes

State Sen. Jack Coghill of Nenana says he probably knows more about Southeastern than Southeastern knows about him. He also knows a lot about the ferry system.

The senator was in Ketchikan last week for a senate transportation committee meeting chaired by Ketchikan's Sen. Lloyd Jones and attended by other state legislators as well as British Columbia ferry officials.

Discussion at that meeting focused on Sen. Jones's SB310 which would separate the Alaska Marine Highway System from the Department of Transportation. It would become a separate authority with a board of directors charged with oversight of ferry management and operations.

There from the beginning Sen. Coghill, whose senate district encompasses the rural highway areas surrounding Fairbanks, a long way from Southeastern, was however a member of the state senate finance committee when the legislature passed the enabling legislation for the ferry system shortly after Statehood.

Sen. Coghill understands the structures of the state departments and basic functioning of state government. His signature was sixth on the Constitution of the State of Alaska as one of the delegates to the Convention which drafted that document in 1956.

"I was a young 30 then," he says, when it was suggested he must be as old as Moses. "Now I'm a young 64."

Awareness up north? Asked if Interior and the many

Anchorage legislators are aware of the ferry system's importance to Southeastern, Coghill said. "Not really."

He said the Ketchikan district's legislative delegation of Sen. Lloyd Jones and Reps. Robin Taylor and Cheri Davis have been effective in bringing the issue up for debate. But he believes that people of Southeastern can be of great assistance in making the rest of the state aware of the need for adequate transportation in Southeastern's roadless regions.

"The rest of the state needs to be aware that the marine highway is as important as highways anywhere in the state or airports in the bush."

Start talking 'lane miles' "Put the ferry system's profits back into the system," he says. "Start talking of the marine routes in 'lane miles' and even double or quadruple 'lane miles.'"

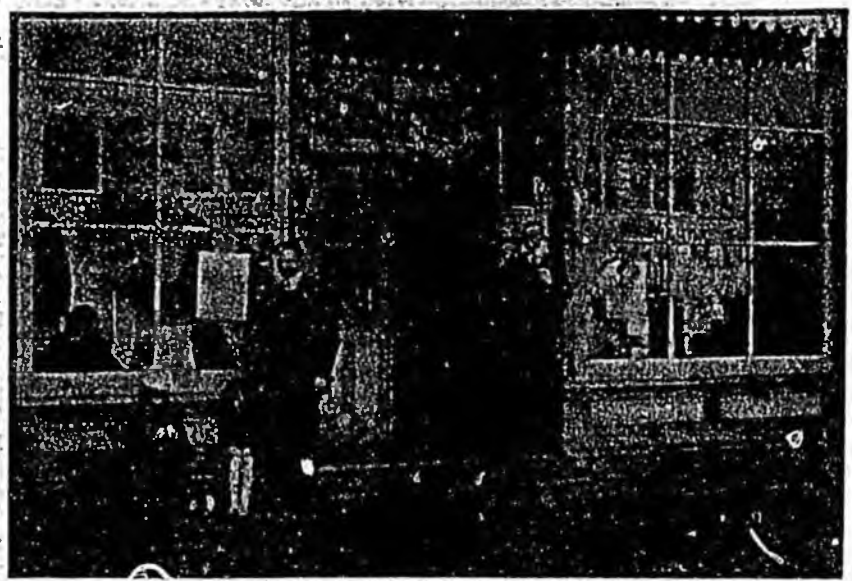
The senator suggests that service organizations from Eagles to Elks to Toasimasters to VFW's and American Legions and Soptimists any organization which allows political action committees to write their counterparts in other Alaska cities.

"Each companion club can adopt about a dozen pen pals in the Legislature," he said. The transportation committees already know the issues; it's the other legislators who need to be made aware. They will respond to mail from their own constituents.

A candidate for U.S. Gov. Sen. Coghill, a candidate for Lieutenant Governor in the next election, gave this response when asked if there was one thing he'd like to say to Ketchikan during his visit.

"We're spending our state wealth every year to promote government." Many millions being spent is money from our resource base. "It's like spending an acre of your farm each month to pay your utility bill," he says.

That resource money ought to go to economic development and other resource development: timber, mining, transportation, fisheries, tourism, agriculture, and bridges, such as needed over Tongass Narrows.



FO'C'S'LE BAR BUILDING, c.1900, was first Hanson's United States Store and from 1910 to 1932 was P.J. Gilmore Clothiers in the picture above, with the owner, (r), and clerk Otto Soberg; (l). Courtesy P.J. Gilmore Jr./Jim Elkins

City's oldest building houses bits of the past

The Fo'c's'le Bar building is thought to be the oldest commercial building in Ketchikan. It's been standing since at least 1900 and may have been there a little longer.

The wheelhouse on the back wall of the present bar was built more than 50 years ago, probably in 1937 when a halibut fisherman named Jack Barseth moved his Fo'c's'le Bar there from a former location at Grant and Front Streets.

At the turn of the century the building was Louis Hanson's United States general store. He was a native of Norway who arrived in Juneau Jan. 1, 1900, but soon after moved to Ketchikan.

Above the store were living quarters where the family of parents and four children lived.

Inga Brinck's first home The youngest was Inga, now Mrs. George Brinck, owner of the Revilla Apartments. Shortly after Inga's birth in 1909, mother and children moved to the Seattle area while Hanson operated the trading boat *Nettie Belle* and visited every little hamlet and settlement in the region with supplies. He also began construction of the Bon Marche building into which he would move his store and

family on their return.

Four years later Mrs. Hanson and the children headed back for Ketchikan aboard the vessel *Dolphin* which went on the rocks off the coast of British Columbia. It was Friday the 13th in 1913. Four-year-old Inga was the first person off the boat during the rescue, evicted by a woman stranger who insisted on being the first off.

The Hansons continued their interrupted journey to Ketchikan aboard the *Princess May*.

The Hansons continued their interrupted journey to Ketchikan aboard the *Princess May*. The Hanson's Front Street building had been bought in 1910 by P.J. Gilmore who opened a very fashionable and popular men's furnishings store, the first all-men's shop in the city. Libby Oaksmith says P.J. Gilmore was a quiet man and a natty dresser himself.

The Gilmore family lived elsewhere and the living quarters over the store were probably used for warehousing. P.J. Gilmore Jr. says.

It was Gilmore Clothiers until 1932. At that time Jack Barseth moved in as a tenant and in 1937 bought the building and moved the Fo'c's'le Bar in. Bars came back

Stan Oaksmith remembers the bars going in when Prohibition ended in 1932. He says first beer and wine were allowed and it was later that hard liquor was available again.

Next door to the Fo'c's'le was the Yukon, a tobacco store that became a bar about the same time.

The bars in those days closed at midnight or 1 a.m. and the patrons retired across the street to Petersburg Kate's White Lunch Cafe, he recalls. The cafe was about where the north end of the Sour-dough Bar is today.

Another popular after-hours cafe (they had beer and wine licenses in those days) was the Dragon Tavern, where Diaz Cafe is today.

Juke Boxes raked Oaksmith remembers the period well because he had just started in the music business and wanted to move juke boxes into the bars and cafes. City ordinance prohibited music in bars except for small radios.

Oaksmith went to city council and asked to be allowed to put juke boxes in. Council said juke boxes might encourage patrons to get rowdy. They suggested the

(cont. p. 8)

Pre-school party

Totem Heritage Center's annual Christmas Party for pre-school children will be held beginning at 10 a.m. Tuesday, Dec. 12, for children three to five years of age.

The party is sponsored and arranged by Totem Heritage Center's staff and volunteers.

Registration is required. Parents may call 225-5900 for registration or further information.

Perspective

QUITE BY ACCIDENT I stumbled across an interesting truth during the weeks I've been putting together the Ketchikan Record. From comments I've heard, I discovered the "real" newspapers have evolved and polished and perfected themselves right out of the business they profess to be in: providing stories and ads people actually read. I didn't think about this a lot before jumping in with a first edition of the little paper. I knew national TV and local radio got any urgent news to me quick and easy, and I knew nothing at all about ads. But I happen to love print and newspapers, so decided to try something different.

I decided to let the little Ketchikan Record be a smorgasbord of little stories and opinions and hints that were in no rush to be printed anywhere else. There were practical reasons. Just one person writing and grabbing whatever presented itself in a given week. Little time to sit in on meetings or to interview or to categorize stories for specific pages or layouts. I just put in what interested me, wherever it fit, and hoped there were others similarly interested. I didn't worry that much about "AP style" which says okay should always be spelled OK or that Legislature should always be capitalized. Who cares.

But then came the "discovery." There were others out there who not only felt the same way but wanted to write a column or a paragraph or two about what they were interested in. David Marks came first and faithfully turns in his delightful copy every week. B.J. Johnson writes when she has time. Glenn Greene shares his gardening knowledge when his work schedule allows. Lloyd Brooks on his week off from the ferry system draws cartoons. A professional man who prefers to write under pseudonyms writes the Rock Walker and sport fishing stories. Lonnie Haughton sent a story. So did Dan Branch. Then from far off New Hampshire came an envelope from Bob Kinerk, eager to write about Ketchikan. "I'm surprised where my thoughts have led me," he said in a recent letter enclosed with his articles. Not only did I find myself with a smorgasbord, I found myself with a potluck, and readers liked it. This evolved into "audience participation journalism." I hope to see more of it.

Back to the "real" newspapers. They're thick and full of ads and make money. I'm in business. I bought an issue of the Anchorage News out of curiosity a while back and had enough pages to light fires in my fireplace for a whole week. All those expensive ads going up in smoke. I've become very aware of ads lately, since I've been on the selling end. And not nearly aggressively enough.

And that made me think. Have newspaper ads become so evolved and polished and perfected that no one reads them anymore anyway? Why can't ads be as interesting to read as the news copy. Is there another way to put ads together? I never sold or put an ad together in my life before trying the Record, and face it, ads are mostly boring. And this in an age when shopping has become an avocation and bumper stickers say "A woman's place is in a mall." Maybe it's time to forget the professional books' ideas of what an ad "should" be and maybe give shoppers and those looking for services themselves a hand in what ads should say to bring the customers in. It's a thought . . .

I'm not in this for the money, readers, or I would have chosen some other line of work. But the little Ketchikan Record is a little eight-page test tube in which writers and readers and advertisers can mix up a formula for something new and better, for all of us.

Wow. Can you see the Seattle P-I writing, "Please present your ideas to Nordstrom about what you'd like to see in their half-page ads." Unlikely. But luckily we live in a small town where such an idea might work.

Holiday Dilemma

1. TO SPEND MONEY I CAN'T SPARE ON JUNKY GIFTS FOR SOME PEOPLE I HARDLY KNOW...
2. TO DECORATE OR NOT TO DECORATE
3. TO ATTEND AS MANY PARTIES AS POSSIBLE OR TO ATTEND SOME (OR NONE)...
4. TO HOST A PARTY OR FAMILY GATHERING OR GO OUT...
5. TO SHOP IN PERSON OR BY MAIL OR PHONE...
6. TO CUT BACK OR TO EXPAND THE GIFT AND/OR CARD LISTS...
7. TO GIVE ONLY PRACTICAL GIFTS AND LEARNING TOYS OR DUMB, NOISY STUFF...
8. TO NOT WORRY ABOUT ANY OF THIS - GET INTO THE SPIRIT AND ENJOY!

© THE KETCHIKAN RECORD 12-11-89 MARK WHEELER

Letters: On The Record

On the Record:

This letter is about question No. 2 in the Ketchikan Trivia column of your Dec. 4 issue, "Is the correct spelling 'Deermont' or 'Deermount' Street?" Your answer states that the borough tells you that it is Deermont.

Quite some time ago I wrote to the Wavemaker and asked the same question. I had noticed a new sign at the corner of E. 4th Street that said "Deermont." All the other signs on the road said "Deermount."

I also asked about the spelling in the phone book map. The Wavemaker's answer was that the correct spelling is Deermont, and that the Deermont sign would be changed. Within a week the sign was changed. (However, it is no longer there.) All the signs on the road say Deermount.

The Wavemaker also said in the answer that the phone company would try to correct the spelling in their 1989 phone book if they could get the information to the printer in time. (They evidently didn't make it.)

Again I'll ask: is it Deermont or Deermount?
Barbara, Mix

Dear Barbara:

It must depend on who you ask and when. It is possible the person who answered this time from the borough was busy so just looked in the phone book!

Logically it ought to be Deermount, after the mountain. Anyone have a definitive answer?

CHRISTMAS ALASKA-STYLE

Mike Harpold of U.S. Customs & Immigration called to ask permission to reprint the Ketchikan Record's Dec. 4 issue Christmas story in his office's newsletter. The newsletter, called "The Southeast Tattler," goes to all Southeastern Customs & Immigration offices, to Anchorage and to the regional office in St. Paul, Minn.



The Ketchikan Record has increased its circulation to 3,000, no change in advertising rates. The Record welcomes appropriate columns, short articles and letters that pertain to the hometown format of life in Southeast Alaska.

HAPPY HOLIDAYS

TO OUR READERS

KETCHIKAN RECORD 611 Pine St. 225-0369
from June Allen and contributors.

Househints

Door-to-door vacuum cleaner salesmen used an old sales technique that very often clinched a sale.

They would come to a prospective buyer's home, vacuum the carpet thoroughly with the housewife's own vacuum cleaner. Then they would put a clean white hankie over the bag neck of the "new model" they were demonstrating and vacuum over the same area. The clean hankie would be full of dust and dirt, proving their machine was superior.

What they didn't tell prospective buyers was that the same thing would have happened if they had put the clean hankie over the housewife's own machine and vacuumed again.

Which proves that a single vacuuming with any machine does not pick up all the dirt and dust.

Think of the salesmen's technique and vacuum once in one direction and go over it again in the opposite direction.

Most people habitually plug the vacuum cleaner into one outlet; try plugging it into one in a different part of the room and vacuuming the rug from a different angle.

Move large pieces of furniture if there has been a spill. Otherwise it isn't necessary.

If spots are noticed after vacuuming, spray plain water or a mild non-sudsing ammonia solution onto the spot. Then blot with a folded paper towel until the dirt comes up.

Never use soap or cleaner on carpets because they leave gummy deposits which collect more dirt.

Rain makes Ketchikan folk become eternal optimists

By BOB KINERK

I have tried telling friends here that the weather in Ketchikan is mostly periods of showers interspersed with periods of heavy rain. My humor usually goes for naught, however. People nod politely, but their eyes go blank. They think I've misspoken myself and they're too polite to correct me.

I have some misgivings, actually, about referring much to rain. If someone has told me he plans to visit Southeast Alaska I feel obliged to mention somewhere in the conversation that he might slip some foul weather gear into his bags before he sets off.

Most people persuaded to make the trip have already read several travel brochures where the fine print makes the same recommendation and they haven't been caught napping. They sometimes go into great detail about the windbreakers they're packing, or their Gor-Tex evening slippers.

I think an hour spent on the deck of a ferry when the wind is boiling up from the south and so many sheets of rain are lashing down they practically have to take numbers — like people at the deli counter — to get their chance to trench you, will disabuse most people of the notion that any kind of clothing offers protection from what Southeastern people mean when they say rain.

My misgivings don't stem from

my failure to adequately warn these hardy travelers, however. My misgivings stem from the importance you have to give the rain when you try to describe it, an importance out of all proportion to the impact it has on most people's day-to-day lives.

We who have played ball in the rain and picnicked in the rain wonder why people in this Eastern part of the country cancel shopping trips because of showers or sulk because a little drizzle chills a holiday parade.

If anybody has a right to sulk, it should be people in Southeastern, but I don't remember a lot of sulking going on. A lot of cursing, yes — some of it quite creative. And a lot of creativity, it seems to me, also went into reading signs of weather to forecast a change for the better. Even 10-year-olds got very practiced at peering toward the seamless clouds and saying, "The wind is changing. It'll probably clear up."

The kind of optimism that habit engenders, in my experience, is

something a person from Ketchikan carries with him all his days, and he doesn't just apply it to the weather. It's a frame of mind that's a gift to him no matter what adversity he faces.

My daughter, who is not a sentimentalist, thinks the words inscribed on my tombstone ought to be, "Another feeble attempt at humor." But I am of a different persuasion. If the fashion for engraving things on tombstones is still in vogue when I die, I think I'd like the carver to attempt a picture of a man stepping out of a doorway and squinting toward the sky. His expression will be guarded but hopeful. And underneath the picture I'll have ordered carved, "Hey, the wind is changing. It's going to be nice."

Bob Kinerk grew up in Ketchikan. He is now an editor with The Manchester Union Leader in New Hampshire. A nationally recognized playwright, he prefers living close to New York at this time.

TRY THIS ONE

That was a headline on this small item in a 1921 newspaper. It is quoted verbatim:

A man with a mania for juggling figures produced pencil and paper and said to a friend, "Put down the number of your living brothers. Multiply that by two. Add three. Multiply the result by five.

"Add the number of living sisters. Multiply by ten. Add the number of dead brothers and sisters. Subtract 150 from the result."

The friend did it. "Now," said the other, "the right hand figure will be the number of deaths, the middle figure the number of living sisters, and the left hand figure the number of living brothers."

And it was so. The article was signed, "London Tid-Bits."





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Dec. 11 - Dec. 17



225-3550

This week's Ferry Tales deal with the political side of the ferry system, or more accurately, getting politics out of the ferry system.

A state senate transportation committee meeting was held in Ketchikan last week, chaired by Ketchikan's Sen. Lloyd Jones and attended by Sens. Jack Coghill of Nenana and Paul Fischer of Soldotna and Rep. Richard Foster of Nome, chairman of the house transportation committee.

British Columbia ferry officials also attended to say that independence from politics has benefited the B.C. ferry operation.

Sen. Jones has drafted SB310 which proposes a separate marine highway authority with a board of directors with the expertise to operate the ferry system successfully.

Sen. Jones said at the meeting that one of the goals of the proposed board-of-governance authority is to put some continuity of management and experience into the system, so that marine highway management and direction doesn't change with every change in state administration.

New marine highway director Jim Ayers outlined at the meeting a seven-goal plan to improve management. The goals sounded a lot like the goals from the Matanuska Miracle seminars which were never implemented. If this writer is correct, the first implemented Miracle goals were to be announced in late March. The Exxon Valdez spill occurred and the public never heard of the Miracle goals again.

From Sen. Jones

In speaking with the Ketchikan Record, Sen. Jones said his proposed marine highway authority would be a first step in moving the ferry system toward management like the Alaska Railroad (which became successful when separated from politics).

The board of directors of a marine highway board would include the commissioner of transportation. A second member would be someone, not limited to

FERRY TALES

By JUNE ALLEN

the state of Alaska, with extensive maritime expertise. This member would be the only one who could be a non-Alaskan.

There would be a member with commercial freight expertise. One would be from the tourism industry. There would be three members from the general public, two from Southeastern and one from Southwestern.

Sen. Jones said he is aware that many Alaskans resent the emphasis on tourist travel on their ferries when simple, adequate transportation is needed from the state's marine highway.

But he points out the tourist dollars are necessary, and especially, "If all the ships are operating as they should be and not laid up, there would be plenty of room for both tourists and Alaska's traveling the system."

Sen. Jones said Anchorage and Fairbanks need to become aware of how many of their visitors arrive via the Alaska Marine Highway System.

The senator also points out that Bellingham is willing and eager to promote the Alaska ferries but it's kind of hard to do with one ship sailing a week.

He said he welcomes suggestions from the public and ferry workers about his senate bill proposal and that is "open for amendments."

From Capt. Art Johnson

Capt. Art Johnson says he wasn't much in favor of Bette Cato's bill at first, (a former Valdez legislator who suggested separation of ferries and politics), because he thought it would just create more bureaucracy.

Now he says he's a little fearful of a board appointed by a governor. He'd want to know that the

directors on the board would serve out full terms as they gained experience and not serve only until the next election.

Capt. Johnson believes the marine highway needs a lot of advertising which it isn't getting.

He'd like to see two ships out of Bellingham year-round. "If people knew there was space available, they'd travel on the ferries."

He also suggests a substantial cut in fares to promote wintertime travel. Another concern is the need for replacement of vessels. "They're getting up in years," he says.

He says he's not sure who's responsible for the muddled condition of the ferry system and said, "It's too bad there isn't someone out there to give us some leadership."

From Homer Sarber:

Former Inland Boatmen's Union official Homer Sarber, says taking the ferry system out of the political arena is a positive move. He says Sen. Jones was aboard his ship just a week before and talking with crew members. Sarber believes most of the crews basically support the senator's objective.

"We'd like to see some continuity in management," he says, "not just being an appendage of the DOT. The way it is, the system's getting short shrift."

From Jerry Johansen:

Jerry Johansen is boson on the Taku but also a member of the marine highway advisory board which serves at the pleasure of the Governor and commissioners.

He says the advisory board should perhaps take a look at the new bill. He said he'd comment

after that was done.

From Don Haseltine:

Purser Don Haseltine says copies of the bill have been passed around to the ships, and workers have been talking about it.

He says there appear to be mixed feelings about it.

"Anything to solidify management would assure support," he says.

From Mike Crosby:

Matanuska purser Mike Crosby says the system keeps getting worse and worse. He says nickel and dime "savings" are getting out of hand.

"A passenger can't even get a cup of coffee after midnight."

He says it's the general opinion that something needs to be done to stabilize the system. "Every time a new governor comes in, there are changes," and things get worse. "There are people just hoping the system keeps running at all."

He says getting the ferry system out of politics with governance by a responsible board would be "a good deal," but he worries

because everything has to be approved by the legislature. He hopes there is some way to identify to the legislature the amount of money the ferries bring in. "They need to be educated."

"This is our highway," he stresses. And he wonders what would happen if the road between Anchorage and Fairbanks were closed to traffic except once a week.

From Bob Pickrell:

Bob Pickrell, publisher of the New Alaskan and outspoken critic of ferry system management, says, "Anything's better than what we've got."

Detour meeting

The ferry system Detour committee will meet with new ferry system director Jim Ayers at noon Thursday, Dec. 14, at Charley's Restaurant. The meeting is open to the public.



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Ketchikan's first full color fold out walking tour map comes out in Spring 1990.

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Put your business on the map!
Call Marty West at Ditto Plus 225-7587

One of the featured stories in the December 1951 issue of the Alaska Sportsman concerns a fishing trip made by Joe Brandt, Joe Stanton and Charles Van Dover to Bostwick Inlet (11 miles south of Ketchikan on Gravina Island).

The authors claim the inlet offers the best variety of fishing anywhere in Alaska, from halibut, salmon and rockfish to crabs to clams on the beach plus cut-throat and Dolly Varden up the stream entering the inlet.

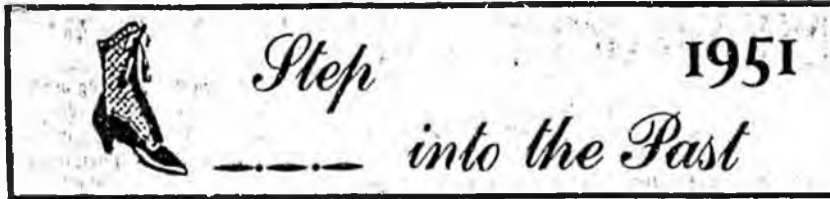
On shore, they wrote, were the abandoned shacks and smokehouse of an early Indian village. Because of a long dry spell that summer, the men were able to follow the stream quite a ways up.

It was here they climbed trees in panic after coming upon a pack of 20 wolves. None of the fishermen carried a gun.

When the wolves gave up and moved on, the men hurried back to their boat. They were not generally believed in Ketchikan but the next day a group of (armed) men went back to investigate and found the tracks of the wolf pack.

It was not the fishermen's fear of the wolves that occasioned the story but the fact that, without weapons, they had missed out on about \$1,000 in bounties.

Pictured in that issue is the Eagle grave marker totem at the entrance to Totem High Park. Carved by Haida carver John Wallace, it was intended to be a copy of the Howkan village Eagle totem. However, working from memory, the 80-year-old carver created an almost entirely new version. The Chilkat blanket



the breast of the copy was not on the original and was not part of the totem carving tradition, the story says.

The carver said the blanket design symbolizes mountains, clouds and creatures who live in the mountains. The three small faces at the top of the blanket are a fair-weather cloud with light rain clouds on each side. The large eyes, round nostrils and teeth below the clouds are the face of the mountain itself and the face below that symbolizes the homes of animals on the slopes.

Flanking the lower face are whale tails, symbolic of whales carried to the mountains by thunderbirds. The spaces between the designs are filled with traditional

patterns. The carver painted the pole black, white and yellow.

Walter Stensland of Ketchikan found the skeleton of a man on the shore of George Inlet. Stensland was prospecting a limestone deposit when one of the blasts shattered the floor of a tiny cave and the remains were found in the debris. There was no clothing or paper or any other identification found with the bones.

In Alaska an old expression for being insane was, "missed too many boats" or "saw the stems of too many boats." In 1951 a federal investigation of care for mentally ill Alaskans (sent down

south then) resulted in the plans for construction of an in-state facility for the mentally ill.

Done away with that year was the jury system for judging whether or not a person was insane.

Two Ketchikan boat owners lost their vessels to fire while hunting in 1951.

Russ Cowger's boat Pamara-jah burned to the water while tied to a float when Cowger was hunting on Cleveland Peninsula.

Bill Eastham's Laurel Ann, anchored in Ice House Cove on Carroll Point, was destroyed when a downdraft exploded the oil stove.

Alaska's birthrate in 1951 had soared 35 percent in two years. In the first eight months of 1951, there were 2,651 births. During the same period deaths increased only 15 percent, from 667 to 772. Marriages increased 19 percent, to a high of 1,018.

The Alaska canned salmon pack in 1951 totaled approximately 3,400,000 cases, about 2,100,000 cases below normal. Bristol Bay had a poor year but Southeastern's good pink run brought up the total.

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"The fanciest drinks in town."

108 Main St.

The view from here

By DAVID MARKS

I get lots of junk mail. It comes from ordering magazines, entering sweepstakes, and filling out warranty cards. Now I get ads for a plethora of magazines, contests, and brochures for electronic goodies I can't afford.

Actually, most of it is pretty interesting. I don't even mind the daily requests for money as long as a good catalog comes with it. I guess I'd rather get junk mail than open an empty mailbox, even if it's all addressed to "occupant".

The ones I don't appreciate are those that assume I'm an ignoramus. The main culprits are usually the sweepstakes. Recently I got an "Official Letter of Notification" that said, "The addressee has been certified as an official sweepstakes winner of a major prize." What I noticed first is that they expected me to believe the notice was personally signed and notarized - only it was all merely printed on. I hate that. Do they really think I'll believe it's a personal letter?

I was informed that I didn't win one of the grand prizes (surprise), but "one of the most valuable prizes of the main prize grouping

plus a MAJOR EXTRA BONUS". (their caps)

I won a cubic-zirconia diamond! The quality was attested to by statements from other customers: F. Fabe from Milfor, CN; J. Bellous of Baldwin, WI; J. Guillion from Lewisville, TX; E.

.... where's my calculator 22,122,000 people. Who are they kidding?

I have another one that exclaims, "Congratulations. Your exclusive entry put you in the only group from which our next big ten million dollar winner will

'I really read my junk mail'

Ellsworthington from St. Mary's, GA and M. Montgomery of Castro Valley, CA.

Those are distinctive names in pretty small towns. Did you know not one of them has a listed phone number? In fact, Castro Valley (itself is unlisted)

But look! It says here that I have "qualified among only 9% as an entrant in the New \$10,000.00 Grand Prize Sweepstakes. This means 91% of the entire U.S. population has not qualified." This places me smack in the middle of a select group of

come." Is this supposed to excite anyone whose I.Q. is larger than their hat size?

One even stooped to begging. It said "no purchase necessary" followed by something like "but please buy at least two" whatchamacallits.

It's illegal to require a purchase. Have you ever searched out the instructions for what to do instead? In a perverse fit of rebellion, I did.

I had to cut this out, tape that here, then glue (no staples) the whole thing to a plain 3 x 5 card

Inventive Gourmet

Cooking with Herbs

Herbs have histories which reach back into ancient history. Not only do they enhance cooking, they have medicinal properties as well.

Oregano is one of the better known herbs because of its use in Italian cooking. You taste it atop pizzas. It is the wild form of the milder marjoram plant.

Combined with basil, thyme and rosemary, it "makes" spaghetti sauce.

Oregano and marjoram are said to aid sound sleep, ease headaches and stimulate appetite. They also flavor poultry, rice dishes and meatloaf, and should be added to sauces in the last ten minutes of cooking time.

and print the following in plain letters and mail to a different address. Whew! All of this was in blindingly fine print, reminding me constantly that if I didn't do it right I could be disqualified. I felt pretty dumb doing all that stuff, but I showed them! I didn't make a purchase!

There are two however, that I always return - Publisher's Clearing House and Ed McMahon's. At least they don't pretend much. Besides, someone has to win right?

I mean, I'm not *too* dumb, am I? Ten million dollars! And I don't have *too* many magazines yet. You'd do it if you were me, right? Let's see, the stamps are here somewhere . . .

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Random Thoughts by Lloyd Brooks

NORTH POLE
MUNICIPAL AIRPORT



"For the jolly fat man and his assistants . . . round trip . . . same day!"

Bill of Rights Day: foundation of freedom

CONVERSATIONAL HISTORY

By JUNE ALLEN

It was Dec. 15, 1791, that the Bill of Rights (the first ten Amendments to the Constitution) was ratified. The founding fathers had had four years in which to consider and draft amendments to a Constitution which they had created through compromise and diplomacy just four years before.

It took three years for all 13 new states to accept the Constitution after that first Constitutional Convention which began May 14, 1787.

Free from British colonial rule in 1783, the new states were linked loosely together under the Articles of Confederation. Each state issued its own paper money, nine states had their own navies and several states had sent ministers abroad to try to borrow money.

Such a loosely organized Confederation Congress, saddled by lack of funds, was limited to diplomacy rather than governance. A Constitution tying the states together was sorely needed.

The Constitutional Convention was held in Philadelphia, the largest city in the United States, and it got off to a slow start.

George Washington there

Gen. George Washington of Virginia, reluctant at first, was persuaded to attend because his celebrity status would help attract delegates from other states. He was one of the first to arrive, on time.

Ben Franklin, host of the Convention and the consummate diplomat, was 81 years old and the President of Pennsylvania. He attended sessions when his bouts of gout allowed.

It often took weeks to travel up and down the 13 states. Delegates trickled in throughout the month. Many, succumbing to the attractions of Philadelphia, attended only half of the meetings.

Some of the delegates from the South, accustomed to rural ways and manners such as scratching and spitting over the verandah, were put off by the big city manners and fashions of the time.

Secret meetings!

The weather grew hot as the Convention meetings continued. Windows were kept closed at Independence Hall. Because the meetings were secret. This was probably the first "executive session" in the nation's history.

The reason? James Madison (who became the fourth President of the United States) was a youthful 36 at the time and later said, "Opinions were so various and at first so crude that it was necessary that they should be long debated before any uniform system of opinion could be formed."

What aren't you doing? His father, however, annoyed at the secrecy, wrote to him as the Convention moved further into summer, "If you cannot tell us what you are doing, you might at least give us some information of what you are *not* doing." (Ketchikan politicians: take note.)

States and individuals had their own cherished plans for drafting a Constitution and each of these had to be offered and considered. Each was debated. There were long-winded delegates who bored the others with speeches of two-day lengths. But the Convention continued.

Near the end of June, the great debate began on the composition and selection of what would become the House of Representatives and the Senate. Smaller states felt threatened by the larger which would have larger representation. The small states were determined to keep their equality.

(Alaska understands this point.)

God's guidance asked This debate could have ended the convention in failure, but Ben Franklin decided to ask for divine guidance to save the day. He said that if a sparrow cannot fall to the ground without God's notice, would it be probable that an empire could rise without his aid?

Franklin suggested a clergyman be found to offer morning prayers. Then someone pointed out the Convention had no funds to hire a clergyman so the session adjourned without a vote on his motion.

Alexander Hamilton is often

quoted as saying the motion was left dangling because some of the delegates were opposed to "foreign aid."

After an appropriate celebration of the Fourth of July, Philadelphia-style and quite acceptable to the Southern delegates, the Convention reconvened and by mid-month accepted a compromise - the basic present structure of the Congress - by a narrow margin.

Slavery and a king

In August the subject of slavery came up. It was hotly debated. Slavery was accepted (pro tem) because if it had not been, the Southern delegates would have walked out and there would have been no Constitution.

Because of the secrecy of the meetings, rumors flew that a king was being considered, rather than a president of the new United States. For once the convention

broke its rule of secrecy, after being nudged by a newspaper report, and said it had never once considered a king.

By Sept. 12 the Preamble, "We the people of the United States . . ." had been written and Sept. 17 the Convention held its final meeting. The Great Convention had ended. Four years later the Bill of Rights to that enduring document was ratified. How long since you've read it?

HOW LONG SINCE YOU'VE READ

THE Bill of Rights

I Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press, or the right of the people peaceably to assemble; and to petition the Government for a redress of grievances.

II A well regulated militia, being necessary to the security of a free State, the right of the people to keep and bear Arms; shall not be infringed.

III No soldiers shall, in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be proscribed by law.

IV The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no Warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things

to be seized.

V No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb, nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use without just compensation.

VI In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor,

and to have the Assistance of Counsel for his defence.

VII In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

VIII Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

IX The enumeration in the constitution, of certain rights, shall not be construed to deny or disparage others retained by the people.

X The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

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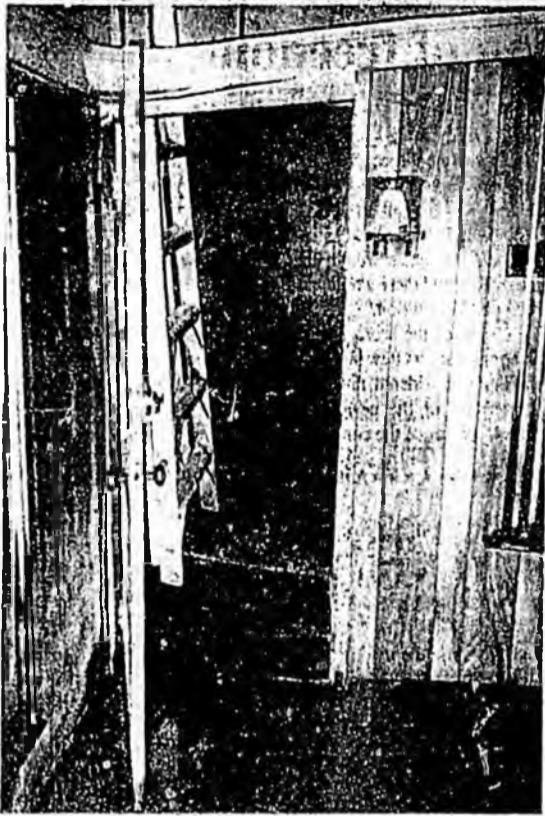
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Briefs



ORIGINAL 1900 STAIRCASE, curving up to living quarters above, remains in present Fo'c's'le Bar. But the upstairs rooms are now used for storage and office space.

City's oldest building

music machines were moneymakers.

So Oaksmith negotiated a contract with the city in which he would pay 10% of the jukebox take for permission, to operate. When the councilmen discovered how little it amounted to, they thereafter set a flat license fee for such machines.

Today the living quarters above the Fo'c's'le Bar are used as owner Jim Elkin's office and for storage. At some time in the past they had been partitioned off into sleeping rooms.

But the original woodwork and hardware remains. A kitchen of long ago - a sluk framed by 2x4s - still stands. There's an old pantry and a stairwell leading directly to the street, blocked off now. Curved stairway remains

And downstairs in the main bar room, just to the left of the pool table, is an old door that opens on to a curved staircase. Behind the decorative, wheelhouse, leading up, are the old banisters, worn smooth.

There's still a little bit left of very old Ketchikan.

SETTING THE RECORD STRAIGHT

Troubles come in threes, Marlene Scanlon discovered in the past two weeks.

In promoting Scanlon Gallery's Wildlife Art show, first the Ketchikan Daily News printed a picture of Terry Pyles' Humpback whale upside down and then the Ketchikan Record, not once but twice misidentified pictures in a story of the art show.

The sculptures "Glory Run" and "Bore Tide" are by artists Jacques and Mary Regat of Anchorage.

Our apologies to all the artists and especially to Marlene.

PAN AM LOCATIONS

Bud Beck, commenting on a Step in to the Past feature, called to tell us that Pan Am Clippers landed at Peninsula Point before World War II. But after wartime Annette Island airfield was built, the Pan Am planes landed at

Annette Island.

Before the war Pan Am's planes were Sikorsky Clippers. After the war they were Strato-Clippers.

PARKS AND REBUILDING

Harry Johansen called to tell us that before the Parks and Rec building on Main Street was KTKN-KATV, it was Reagan's Cold Storage, although he wasn't sure of the spelling.

There was a meat cutter on duty and lockers, and customers could bring in their deer to be cut and wrapped.

He thinks before that it was a clothing store, but he wasn't sure which one.

ABOUT THE BOROUGH

After reading a recent Ketchikan Trivia column, Roland Stanton called to tell us that the late Don King was the first borough chairman. He also said that Ketchikan Gateway Borough was

the only borough in the state to organize voluntarily. Other boroughs organized only after a mandatory borough act, he said.

He also mentioned that it was the late Paul Wingren who suggested the name "Gateway" for Ketchikan's borough. In so doing he won a \$25 prize but declined the money.

WANT ADS

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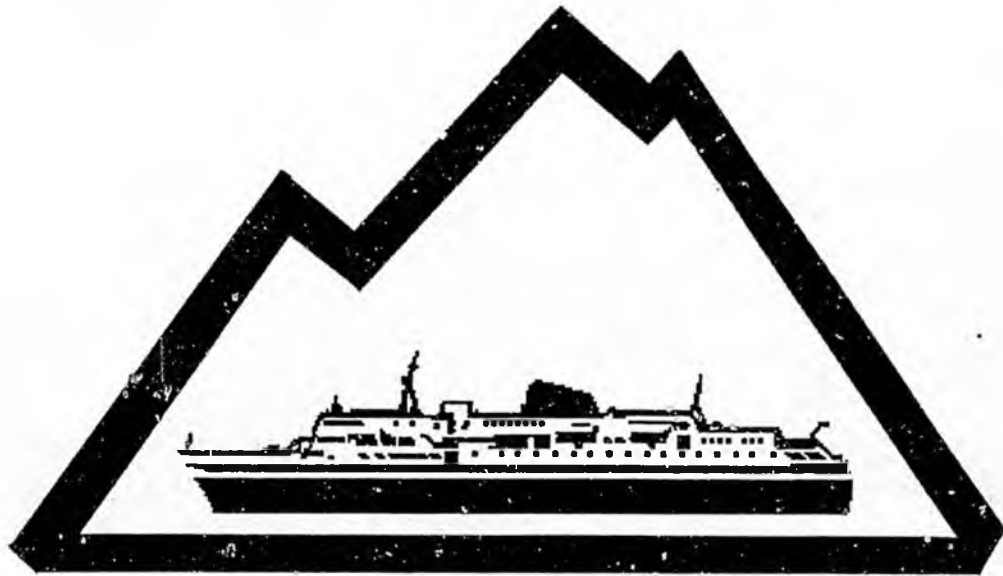
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ALASKA MARINE HIGHWAY SYSTEM

TRANSPORTATION COMMITTEE PRESENTATION

DRAFT

FEBRUARY 7, 1990

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TABLE 1

AMHS VESSEL INFORMATION

	<i>ML</i> TAKU	<i>ML</i> MATANUSKA	<i>ML</i> MALASPINA	<i>ML</i> COLUMBIA	<i>SE/North</i> LECONTE	<i>SW</i> BARTLETT	<i>SW</i> TUSTUMENA	<i>out</i> CHILKAT	<i>SE/South</i> AURORA
DATE COMPLETED	1963	1963	1963	1974	1974	1969	1964	1957	1977
LENGTH	352	408	408	418	235	193	296	100	235
BEAM	74	74	74	85	57	53	59	35	57
DRAFT	15	15	15	17	13	13	15	8	13
TONNAGE	2458	3029	2928	3946	1328	933	2174	256	1281
HORSEPOWER	8000	8000	8000	12350	4300	3468	3600	730	4300
CREW	42	50	50	66	24	24	37	7	24
PASS CAPACITY (SUMMER)	500	500 746	516 750	522 970	250	170	220 325	65 82	250
STATEROOMS	44	112	86	91	0	0	27	0	0
BERTH CAPACITY	106	256	274	312	0	0	58	0	0
VEH CAPACITY	105	120	120	170	47	38	50	15	47
MAX # OF VANS	10	21	21	22	10	13	12	1	10

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TABLE 2

DOLLARS BY COMPONENT

Component	(1)	(2)	(3)	
	FY89 ACTUALS	FY90 PROJECTED	FY91 ESTIMATE	
Marine Admin	\$2,352.0	\$2,210.4	\$2,352.8	(without budget analyst position)
Cus Ser Mngmt	2,422.3	2,521.3	2,567.7	(without \$250.0 marketing funds)
Ops Mngmt	771.3	891.4	981.6	
MFE Mngmt	434.6	339.6	464.5	
Marine CIP*	1,261.5	1,387.9	1,224.7	
Sub-total	\$7,241.7	\$7,350.6	\$7,591.3	
SE Shore	\$2,567.4	\$2,618.4	\$2,627.6	
SW Shore	680.2	790.3	780.0	
SE Vssl Op/Ov	45,943.5	46,228.9	46,747.3	(Vssl Ops represents FY90 service with about 1/2% cost increase)
SW Vssl Op/Ov	9,359.7	9,205.0	9,251.0	
Sub-total	\$58,550.8	\$58,842.6	\$59,405.9	
Total AMHS	\$65,792.5	\$66,193.2	\$66,997.2	

*GF funding not required for this component

o/o
 9 Cust. service
 2 facilities
 3 Admin
 85 - operations - \$56 million

Trying to implement cost accounting
each vessel a cost center

in operating budget - extreme variable costs that are hard to manage
 overhaul is 1 big variable (Asbestos) (Parts)
 Very hard to predict costs

1986 procurement code is just now taking hold
 change orders big issue - thinks tightend up

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TABLE 3a

WEEKS OF SERVICE

	FY89 ACTUAL	FY90 PROJECTED	FY91 ESTIMATE
	-----	-----	-----
COLUMBIA	15.3	19.0	19.0
MATANUSKA	45.0	43.5	44.1
MALASPINA	42.9	32.0	27.9
TAKU	33.6	43.0	43.9
	-----	-----	-----
SE MAINLINE	136.8	137.5	134.9
AURORA	39.4	44.5	44.1
LECONTE	44.9	44.0	45.4
CHILKAT	14.6	0.0	0.0
	-----	-----	-----
SE FEEDER	98.9	88.5	89.5
	=====	=====	=====
SE VSSLS	235.7	226.0	224.4
TUSTUMENA*	38.4	38.5	38.5
BARTLETT	42.5	43.5	44.1
	-----	-----	-----
SW VSSLS	80.9	82.0	82.6
	=====	=====	=====
TOTAL AMHS	316.6	308.0	307.0

*includes alternative service during Tustumena refurb

TABLE 3b

TRAFFIC AND REVENUES

	FY89 ACTUALS	FY90 PROJECTED	FY91 ESTIMATE
	-----	-----	-----
AMHS TRAFFIC			
PASSENGERS	395,000	391,000	394,000
VEHICLES	105,000	106,000	107,000
AMHS REVENUE*	\$35,837.0	\$34,800.0	\$37,100.0

*does not include op bdgt CIP revenues

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TABLE 4

VESSEL COSTS

	(1)		(2)		(3)	
	FY89 ACTUALS		FY90 PROJECTED		FY91 ESTIMATE	
	TOTAL	OVERHAUL*	TOTAL	OVERHAUL*	TOTAL	OVERHAUL*
COLUMBIA	6,175.9	943.9	7,013.1	966.4	7,258.2	
MATANUSKA	8,856.9	528.0	9,206.5	542.4	9,337.5	
MALASPINA	8,548.9	407.2	7,647.1	588.3	7,677.7	
TAKU	7,106.4	613.0	8,604.2	730.9	8,647.2	
AURORA	4,251.0	358.2	4,718.9	347.2	4,742.5	
LECONTE	5,014.9	568.7	4,809.7	364.7	4,833.7	
CHILKAT	304.1	60.4	1.6	0.0	1.6	
ALL VSSLS	5,685.4	11.5	4,227.8	10.0	4,248.9	
TOTAL SE	45,943.5	3,490.9	46,228.9	3,549.9	46,747.3	3,585.1
TUSTUMENA	5,198.8	463.2	4,882.0	382.4	4,906.4	
BARTLETT	3,329.0	282.3	3,662.0	250.8	3,680.3	-
ALL VSSLS	831.9	0.1	661.0	5.0	664.3	
TOTAL SW	9,359.7	745.6	9,205.0	638.2	9,251.0	704.6
SE & SW TOT	55,303.2	4,236.5	55,433.9	4,188.1	55,998.3	4,289.7

*overhaul operating funds only: SIP not included

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TABLE 5

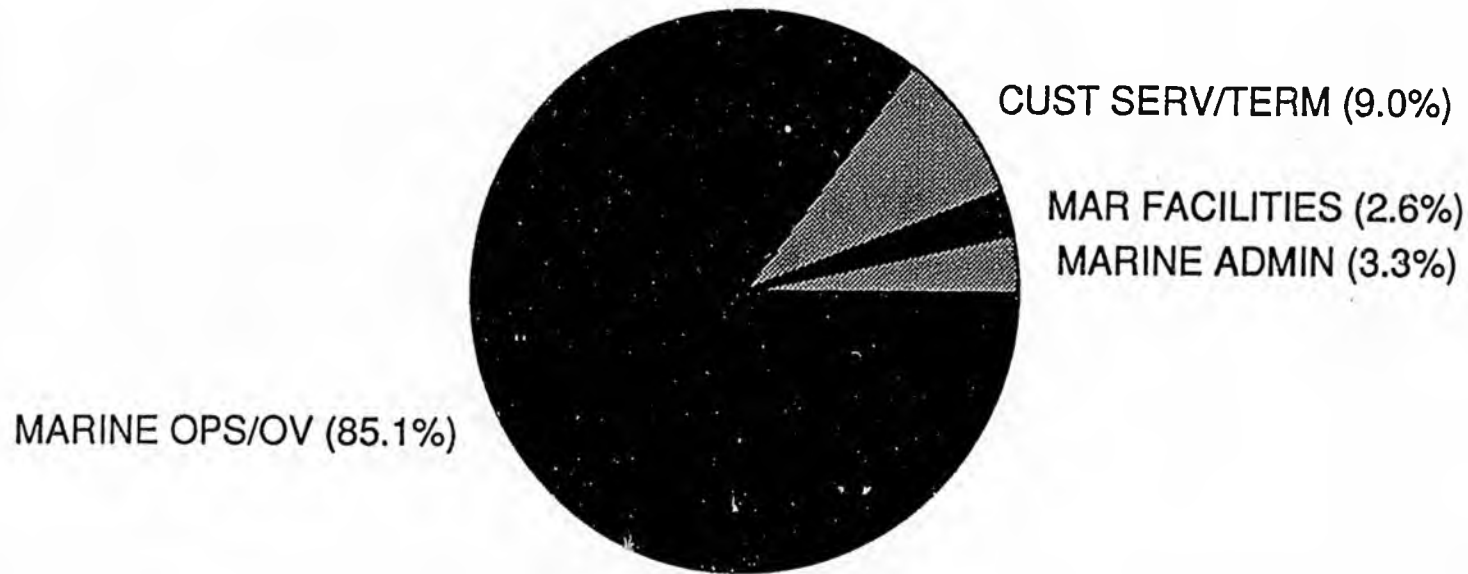
PERSONNEL BY COMPONENT

Component	(1)			(2)			(3)		
	FY89 PFT	ACTUALS PPT	TOT	FY90 PFT	PROJECTED PPT	TOT	FY91 PFT	ESTIMATE PPT	TOT
-----	----	----	----	----	----	----	----	----	----
Marine Admin	46	1	47	44	1	45	46	1	47
Cus Ser Mngmt	16	17	33	15	17	32	15	17	32
Ops Mngmnt	14	0	14	14	0	14	15	0	15
MFE Mngmnt	5	0	5	3	0	3	5	0	5
Marine CIP	21	0	21	20	0	20	17	0	17
	----	----	----	----	----	----	----	----	----
Sub-total	102	18	120	96	18	114	98	18	116
SE Shore	23	16	39	23	15	38	19	15	34
SW Shore	3	2	5	3	2	5	3	2	5
SE Vssl Op/Ov	518	109	627	518	109	627	518	109	627
SW Vssl Op/Ov	63	35	98	63	35	98	63	35	98
	----	----	----	----	----	----	----	----	----
Sub-total	607	162	769	607	161	768	603	161	764
Total AMHS	709	180	889	703	179	882	701	179	880

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TOTAL AMHS OPERATING BUDGET

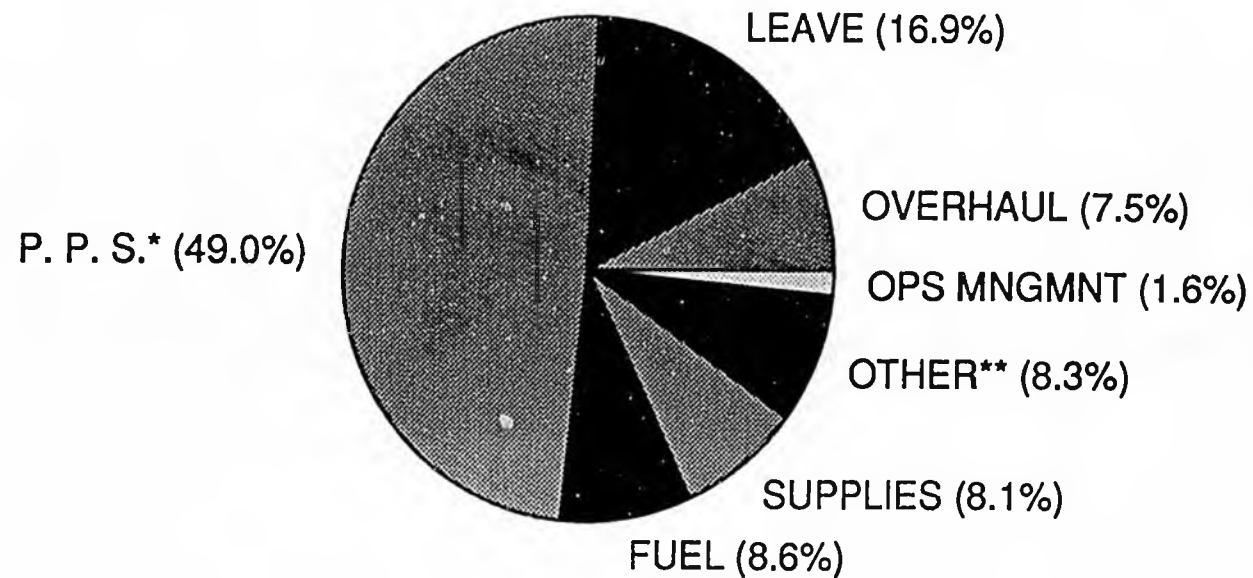
FY 90 Total = \$66,193,200*



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SE and SW VESSEL OPERATIONS

FY90 Total = \$56,325,300



*P. P. S. = Productive (Non-Leave) Personal Services

**Includes travel, risk management and non-overhaul contractual and equipment

**ALASKA MARINE
HIGHWAY SYSTEM**

House Transportation Committee

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

**ALASKA MARINE
HIGHWAY SYSTEM**

House Transportation Committee

TABLE OF CONTENTS

INTRODUCTION	1-2
OVERVIEW	3-5
ANALYSIS - HOUSE BILL 81	7-33
The organization	8-9
staff.....	10
Personnel and unions	11-16
Powers of the authority.....	17
Duties of the authority.....	17-18
AMHS SHORE FACILITIES	19-22
AMHS VESSELS AND ROUTES	23-26
BUDGET AND APPROPRIATIONS	27-28
COSTS TO ESTABLISH THE AUTHORITY	29
HOW OTHER SYSTEMS OPERATE	
Washington State Ferry system	30-31
British Columbia Ferry Corporation	32-33

October 26th, 1989

TO: House Transportation Committee members

FROM: Representative Bette Cato

SUBJECT: Alaska Marine Highway System

During the past 4 months, House Transportation Committee staff and I have been working on an overview of the Alaska Marine Highway System. A detailed analysis has also been completed on House bill 81 - An act establishing an Alaska Marine Highway Authority.

While I realize there are still many questions that need to be answered, I feel strongly that it is time to take a good hard look at the current system. It is becoming increasingly evident that AMH is having difficulty keeping up with the demands being placed upon the system. This is not surprising when we consider the system is now 25 years old and no significant changes have taken place during this time.

Aging vessels, coupled with budgetary constraints force ships to be off line for longer periods of time. As a result, several areas in our state have winter service schedules that are totally inadequate. No funds have been identified for vessel replacement. No alternate deployment scenario has been proposed. The system just seems to be *existing* year to year.

AMHS and DOT/PF management have continually assured me the department is aware of the concerns and changes will be made. While I commend each Director and Commissioner for their efforts, the basic problem still remains: There has been no continuity in AMHS management. During the past 4 years, the leadership of the system has changed 6 times (3 Commissioners and 3 Directors). This causes the AMHS to be in a constant holding pattern while new management become familiar with the marine highway. It is therefore not surprising that the Master plan for AMH is now two years overdue. This is disastrous when we realize that federal funding authorized in SLA 86 for hi-speed ferries cannot be approved until a Master Plan is adopted.

The AMHS operates like a business. The vessels sail 24 hours a day, 365 days a year. Like any business, it needs to have strong leadership, a well defined plan for the future and the ability to respond quickly to change. If the system is to survive, it cannot continue to be subject to politics and bureaucracy. It is time to provide the system with the autonomy it needs to operate efficiently. I feel the creation of an Alaska Marine Highway Authority would accomplish this goal. While AMHS would still be an instrumentality within DOT/PF, an authority would provide management with the autonomy to aggressively plan for the future and the continuity to implement these plans.

I apologize if I have been too outspoken on this issue, but as many of you are aware, the marine highway system is something I have always felt very strongly about. In compiling this report, I realized how many hours have been spent studying the problems of the system. I am sorry to say, very few of the recommendations made have ever been implemented.

I hope this report will provide you with background information and ideas from which to base your decisions. If you would like any further information, please do not hesitate to contact the staff in my Anchorage office, 561-7625.

Thank you.

THE ALASKA MARINE HIGHWAY AUTHORITY

THIS YEAR, THE ALASKA MARINE HIGHWAY SYSTEM CELEBRATED IT'S 25TH ANNIVERSARY. THE SYSTEM HAS UNDERGONE MANY CHANGES SINCE IT WAS FIRST ESTABLISHED IN THE EARLY 1960'S. DEMANDS ON THE SYSTEM CONTINUE TO GROW WHILE THE FUNDS AVAILABLE TO RUN THE SYSTEM HAVE NOT INCREASED SIGNIFICANTLY OVER THE PAST 4-5 YEARS.

SEVERAL REPORTS/STUDIES COMPLETED DURING THE PAST 5 YEARS HAVE LOOKED AT ALTERNATIVES FOR THE SYSTEM. CONCERNS HAVE BEEN EXPRESSED ABOUT THE ABILITY OF THE A.M.H.S. TO CONTINUE TO PROVIDE ADEQUATE, EFFICIENT AND ECONOMICAL TRANSPORTATION SERVICE FOR ALASKA.

One area that draws constant debate is the overall mission and expectations of the AMHS.

Proponents of the system feel strongly that:

- The AMHS is a vital link in the state's transportation system. There is no private service for transportation of passengers, vehicles or roll on/roll off freight containers on many of the statewide routes or schedules maintained by the AMHS
- While general fund appropriations are needed to maintain the system, the revenues generated cover over 50% of the total costs needed to run the system.
- the mission of the system is being fulfilled by AMH and, given the service obligations, proponents feel it is impressive that the system is able to return over 50% of it's operational costs.

DOT/PF acknowledge changes are still needed, however management feels there needs to be some clarification of what exactly have been the problems and what specific fundamental changes are desired in modifying how the system functions. Management feels many improvements and changes have been implemented over the past few years and that once *clearly* defined, other areas of concern will be addressed.

WHY CHANGES ARE NEEDED

In April 1984, former Governor Bill Sheffield's AMHS Task Force concluded, among other issues, that the system needed to redefine its goals due to changes in needs and priorities since the start of the system in 1963. The Task Force felt there was a definite "lack of continuity of purpose" and a need for a comprehensive plan to provide for future operations." The main issue the Task Force seemed concerned about was ensuring continuity in top department and AMHS management.

Today, almost 5 years later, the AMHS Master Plan is still not completed. This report, due almost 2 years ago, is expected to be available at the end of 1989.

With the recent resignation of the AMHS Director, Mr. George Davidson, continuity in AMHS management continues to be of concern. During the past 5 years, three directors and three Commissioners have managed the system. Without a concrete plan in place and with no continuity in management, real concerns over the future of the AMHS continue to be raised.

After numerous meetings and discussions, the following points summarize several of the main areas of concern:

- Many of the ships in the current fleet are old. The cost of maintaining the vessels continues to increase while funds to run the system appear to be decreasing.
- The system does not appear to have kept pace with industry changes. Basically, the ships utilized by the system today are the same vessels that were originally purchased 25 years ago. Large, inefficient mainline vessels are still providing in-state feeder route service.
- No funds are available for vessel replacement. With the high cost of vessel replacement (Columbia \$70 million, Malaspina \$53 million), the time is fast approaching when major capital funds are going to be required to purchase new vessels. To date, no funding source has been identified. With a total yearly federal DOT allocation of approximately \$140 million, it would take almost half of the state's total yearly allocation to replace a vessel. With

many other ongoing transportation projects, this approach would severely impact the allocation of funds to other much needed transportation projects and, at best, one existing vessel could be replaced.

- Each year, the amount of time vessels are off-line is increasing. This, in part, is due to the lack of adequate funding and also because the age of the vessels make overhaul periods more lengthy. Regardless, service to much needed areas like Cordova is affected.
- Many of the recommendations made by the Governor's Task Force in 1984 have not been implemented. While there is a tremendous number of studies on alternatives for the AMHS, the system today is much the same as it was 25 years ago.
- While federal and general funds (\$4,905,000) have been authorized to build high speed ferries, the department has not evaluated any high speed ferry vessels or alternative deployment scenarios. These funds remain on hold pending completion of the system master plan.
- Opportunities to expand/increase service by working with other ship lines such as Gotland have not been fully capitalized upon. AMHS is now faced with trying to respond to the impacts felt by Gotlands presence in the marketplace.
- The AMHS appears to be unable to make quick decisions when required. While departmental support staff are beneficial to the system, state procurement procedure and state bureaucracy reduce the systems ability to make much needed immediate management decisions. Vessels remain off-line for long periods of time while departmental procedures and requirements are adhered to.

SUMMARY

After 25 years of operation, it is time to look at the future of the AMHS. While the original statement of mission for the system still holds true today, (to provide a vital link in the state's transportation system), many other factors now need to be considered. With the demands continually increasing, the marketplace constantly changing, technology becoming more sophisticated, and the budgeting process becoming more uncertain, it is time to look very carefully at the future of this important system.

THE BASIC QUESTIONS REMAIN:

1. What *exactly* is the desired role of the AMHS?

2. What changes/plans need to be implemented today to ensure the AMHS will continue to provide efficient in-state transportation services in future years?

3. In what direction should the system be headed?

4. What expectations do we have for the system?

5. How can the current system be improved upon?

THE ALASKA MARINE HIGHWAY AUTHORITY

HOUSE BILL 81

THE PURPOSE OF HOUSE BILL 81 IS TO ESTABLISH AN AUTHORITY FOR THE OPERATION, MANAGEMENT, PLANNING, AND CONSTRUCTION OF FACILITIES FOR THE MARINE HIGHWAY SYSTEM WITH A LEGAL EXISTENCE INDEPENDENT AND SEPARATE FROM STATE GOVERNMENT.

THIS REPORT WILL ATTEMPT TO GO THROUGH EACH SECTION OF HOUSE BILL 81 AND ADDRESS THE INTENT OF THE BILL AND ANSWER QUESTIONS THAT HAVE BEEN RAISED CONCERNING EACH AREA.

1. CREATION OF THE AUTHORITY

THE AUTHORITY IS ESTABLISHED AS A PUBLIC CORPORATION. WHILE THE AUTHORITY IS STILL AN INSTRUMENTALITY OF THE STATE WITHIN THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, IT HAS A LEGAL EXISTENCE INDEPENDENT OF AND SEPARATE FROM THE STATE. ESSENTIALLY, THE AUTHORITY IS RESPONSIBLE FOR THE OVERALL MANAGEMENT OF THE AMHS. THE BOARD OF DIRECTORS FOR THE AUTHORITY ANSWER DIRECTLY TO THE GOVERNOR. WHILE THE AUTHORITY HAS A LEGAL EXISTENCE OF IT'S OWN, IT IS STILL AN INSTRUMENTALITY WITHIN THE D.O.T AND THEREFORE LEGALLY STILL CONSIDERED TO BE A STATE AGENCY.

The AMHS was established in the early 1960's. Voters approved the sale of bonds to fund four vessels, the M/V Tustemena, M/V Matanuska, M/V Taku and the M/V Malispina. Since that time, 5 more vessels have been added to the fleet which now comprises a total of nine vessels.

The mission of the AMHS is derived form a variety of sources. Its enabling legislation provided its initial direction. The mission for the AMHS is stated as follows:

Mission statement of AMHS:

The AMHS serves as a marine mode alternative in lieu of a land highway system, and provides basic access among and between the communities which it serves and the continental surface transportation network. To the extent that capacity and fiscal capability is available to provide services at a level beyond basic access to Alaskan communities, service will be provided to spread system costs over a larger traffic base permitting better service to Alaskans and supporting local economic development.

Many questions concerning the direction, policies, mission and overall operations of the AMHS under the authority have been raised.

The following information attempts to review House bill 81 (Establishing and Alaska Marine Highway Authority). Each section of the bill is discussed and questions that may need to be addressed have been raised.

THE ORGANIZATION

The authority consists of seven directors appointed by the Governor:

- a representative of commercial carrier
- a representative of the maritime industry
- a representative from the tourism industry
- four members of the public at large served by the marine highway system as follows:
 - a. one member from region one (extending from Dixon Entrance to Icy Cape)
 - b. one member from region two (Kodiak Island)
 - c. one member from region three (Prince William Sound)
 - d. one member from region four (Interior Alaska)

The directors serve at the pleasure of the governor for four year terms.

The directors must be residents of the state and shall comply with the requirements of AS 39.50 (Conflict of Interest).

Directors of the authority will serve without compensation but are entitled to travel and per diem expenses authorized by law for state boards and commissions.

Question

a. Should the Board of Directors be increased to include the Commissioner of the Department of Transportation and Public Facilities?

b. What criteria should govern board composition? Should an employee sit on the board? Should there be other government officials on the board?

c. Should there be a requirement for one member to have at least 5 to 10 years experience in marine highway management. In order to adequately meet this requirement should the instate residency requirement be waived for this seat?

d. Is there a need to have a representative from an employee bargaining unit/union on the board?

e. Do members of the board need to be confirmed by the legislature?

STAFF

The authority shall employ an executive director who serves at the pleasure of the authority as its chief administrative officer. The executive director may, with the approval of the authority, select and employ staff as necessary. Employees of the authority other than legal counsel and the executive director are in the classified service under AS 30.25. In addition to regular employees the authority may contract for and engage the services of those persons/agencies the authority considers necessary for the purpose of developing information, studies, hearings, investigations or other proceedings.

Question

1. Will employees of the authority be state employees?

Yes. All employees of the authority except the executive director and legal counsel are in the classified service under AS 39.25. Employees will therefore be subject to all requirements and benefits outlined under Chapter 39 (Public Officers and Employees statute).

Who currently negotiates union contracts on behalf of the state and the A.M.H.S.?

The negotiating team for the state consists of two representatives including the chief spokesman from the Department of Administration; two representatives from the Alaska Marine Highway System (usually the Personnel Officer and the Assistant Director); and this past year a representative from the DOT&PF headquarters staff.

Will the authority have direct control over the labor relations functions, particularly collective bargaining?

The state labor relations agency will remain the negotiating team for the A.M.H.S. It would seem beneficial to have two members from the authority as part of the state negotiating team. Currently, two members from A.M.H.S sit on the negotiating team. Consideration could be given to changing/adding members to the negotiating team to include members from the authority. Ultimately, the final labor relations decisions rest with the Governor. Under an authority this would not change.

PERSONNEL AND UNIONS

What unions currently represent employees of the A.M.H.S.? What is the status of each union contract?

Currently, all vessel employees are represented by one of three unions:

The Inland Boatman's union - This union represents the largest group of ferry workers. Approximately 625 workers belong to this union. Contract talks with IBU representatives and the administration ceased this summer when union members overwhelmingly rejected a wage agreement with the AMHS. Talks will not resume again until February 1990 when the workers' three year contract requires wage talks to begin for the contract's final year.

Masters, Mates and Pilots Association - representing 65 licensed captains and deck officers, has been working without a contract since March, 1988. This union has been working under yearly agreements until both sides can come to terms on a contract.

Marine Engineers Beneficial Association - This union represents approximately 60 employees. The union reached agreement on a three year contract June, 1989 calling for a wage reopener. The issue of a cost of living increase still needs to be agreed upon before April 1, 1990.

Four other unions represent 121 shoreside personnel:

Alaska State Employees Association
Alaska Public Employees Association
Public Employees Local 71
Public Employees Association

SOUTHEAST SYSTEM

Employees hired prior to April 1, 1985

Years of Continuous Service	Vacation Accrual (hours per year)
1 but less than 2	84 = 1 work week, or 2 wks vacation
2 but less than 3	168 = 2 work weeks, or 4 wks vacation
3 but less than 4	252 = 3 work weeks, or 6 wks vacation
4 but less than 5	336 = 4 work weeks, or 8 wks vacation
5 but less than 7	420 = 5 work weeks, or 10 wks vacation
7 but less than 10	504 = 6 work weeks, or 12 wks vacation
10 or more	588 = 7 work weeks, or 14 wks vacation

Employees hired after April 1, 1985

Years of Continuous Service	Vacation Accrual (hours per year)
1 but less than 2	84 = 1 work week, or 2 wks vacation
2 but less than 3	168 = 2 work weeks, or 4 wks vacation
3 but less than 4	252 = 3 work weeks, or 6 wks vacation
4 but less than 5	336 = 4 work weeks, or 8 wks vacation
5 or more	420 = 5 work weeks, or 10 wks vacation

The tables above are covering the employees in the southeast system. The employees in the southwest system of IBU earn "A" days (accumulated days off) based on the following schedule for each day that they work:

SOUTHWEST SYSTEM

Employees hired prior to April 1, 1985

Years in the System	Accrual Rate
0 but less than 2	1/2 day
2 but less than 3	2/3 day
3 but less than 7	3/4 day
7 but less than 9	7/8 day
9 or more	1 day

Employees hired April 1, 1985 and after

Years in the System	Accrual Rate
0 but less than 2	1/2 day
2 but less than 5	5/8 day
5 but less than 7	3/4 day
7 or more	7/8 day

Members of the MM&P union employed on the M/V TUSTUMENA earn southeast accruals for each month of employment as well as 1/2 an "A" day for each day worked. MM&P employees on the M/V BARTLETT receive 12 days of vacation for each thirty (30) days of employment.

Members of the MEBA union in the southwest system receive personal leave instead of vacation and sick leave. Those employees hired prior to April 1, 1985, receive 12.75 days per month; those employees hired after April 1, 1985, receive 11.75 days per month.

9. In view of the fact that many AMHS employees work a week on week off schedule, how many total days/weeks would each group of employees ~~would~~ be off work each year for vacation?

Southeast employees normally work 84 hours during a work week; their work schedule is to work one week followed by one week off. They earn leave for the 84 hours worked in one week but receive no leave credit for the week off. This in itself would equate to the employees receiving 26 weeks off during the course of a year plus the vacation accruals as listed above.

Comparison of Productive Hours/Year: Vessel and shore employees.

If employees take 100% of the leave they accrue each year, how many hours of productive time would be left, assuming no sick leave consumption?

IBU - Southeast

(1) No. of weeks/ year	(2) Vac hours/ year	(3) Vac weeks/ year (2)/42	(4) Weeks avail for work (1)-(3)	(5) Week/on Week/off avail- ability (4)/(2)	(6) Hours/ week	(7) Produc- tive hours/ year (5)*(6)	(8) No of emplys in this catgry
52	84	2	50	25	84	2,100	25
52	168	4	48	24	84	2,016	14
52	252	6	46	23	84	1,932	36
52	336	8	44	22	84	1,848	30
52	420	10	42	21	84	1,764	43
52	504	12	40	20	84	1,680	65
52	588	14	38	19	84	1,596	129

Shore side Employees

(1) No. of weeks/ year	(2) Vac hours/ year	(3) Vac weeks/ year (2)/37.5	(4) Weeks avail for work (1)-(3)	(5) Week/on Week/off avail- ability (4)/(2)	(6) Hours/ week	(7) Produc- tive hours/ year (4)*(6)	(8) No of emplys in this catgry
52	112.5	3.0	49.0	N/A	37.5	1,837.5	unknown
52	157.5	4.2	47.8	N/A	37.5	1,792.5	unknown
52	180.0	4.8	47.2	N/A	37.5	1,770.0	unknown
52	225.0	6.0	46.0	N/A	37.5	1,725.0	unknown

SW employees in IBU work 8 hour days continuously. MM&P and MEBA employees work 8 hours per day on M/V TUSTUMENA and 12 hours per day on the M/V BARTLETT. Only time off is for vacation or sick leave.

10. How many relief employees were hired to cover vacation leave during FY 88 or FY 89? What was the cost to the system for these relief employees?

In FY 88, 2 new temporary employees were hired in MM&P; 30 new temporary employees were hired in MEBA; and 90 new temporary employees were hired in IBU. In FY 89, to date, 8 new temporary employees have been hired in MEBA; 28 new temporary employees have been hired in IBU; none have been hired in MM&P.

To hire the 118 IBU employees for 6 pay periods and the 40 licensed employees for approximately 168 hours equals approximately \$1,036,100.00 plus benefits. These new employees provided coverage for summer positions, vacation leave and sick leave. Other full time permanent employees provide vacation coverage on a regular basis.

11. Currently, what are the unions that represent Alaska Marine Highway employees? How many employees belong to each union or bargaining unit?

VESSEL
EMPLOYEES

IBU 625
MEBA 80
MM&P 60

SHORESIDE EMPLOYEES

Exempt 5
LTC 6
Supervisory 17
Confidential
General
Government 115

12. How long is each union contract/agreement in place for?

IBU currently has a three year agreement with the State of Alaska, with yearly wage reopeners, which will expire on March 31, 1991. MM&P has a one year agreement which will expire March 31, 1989. MEBA does not currently have an agreement in place; negotiations are continuing in order to reach a long term agreement.

13. Who currently negotiates these contracts on behalf of the state?

The negotiating team for the State consists of two representatives including the chief spokesman from the Department of Administration, Division of Labor Relations; two representatives from the Alaska Marine Highway System, usually the Personnel Officer and the Assistant Director; and this past year we have included a representative from the DOT&PF headquarters staff.

14. What is the anticipated annual cost, including accumulated debt, by employee vacation accrual?

The most recent figures in EIS indicate the following accruals per year. The dollar values shown assume that the accrued hours would be paid at today's wages. COLA compensation is not included. The following table shows the value of outstanding leave liability.

Category	Accrual/Year		Use/Year		Contribution to debt/Year	
	Hours	Dollars	Hours	Dollars	Hours	Dollars
SE IBU vacation	171,180	2,512,900	161,370	2,368,890	9,810	144,010
SE MEBA vacation	36,600	303,370	35,480	778,790	1,120	24,580
SE MM&P vacation	28,990	662,711	25,100	573,790	3,890	88,930
Total SE	236,770	3,978,981	221,950	3,721,470	14,820	257,520
SW IBU A-days	92,400	1,118,040	87,100	1,053,910	5,300	64,130
SW MEBA Pers. Lv.	10,970	174,400	10,630	168,990	340	5,410
SW MM&P A-days	6,220	112,100	5,390	97,140	830	14,960
SW MM&P vacation	12,300	191,000	10,650	165,380	1,650	25,620
Total SW	121,890	1,595,540	113,770	1,485,420	3,120	110,120
Total SE and SW	358,660	5,574,521	335,720	5,206,890	22,940	367,640

Note: "Dollars" are estimated based on average wage per hour by bargaining unit. COLA compensation is not included. "Use" in SW is estimated based on SE rates.

AMHS Outstanding Leave Liability*
as of 9-30-88

<u>HOURS</u>	<u>IBUP</u>	<u>MEBA</u>	<u>MM&P</u>
SE vacation	139,497	33,722	23,589
SW vacation	313	1,182	8,555
SW personal lv	588	9,766	0
SW A-days	<u>62,963</u>	<u>474</u>	<u>4,653</u>
TOTAL	203,361	45,144	36,797
TOTAL VACATION HOURS.....			285,302
SE sick lv	233,834	57,940	67,918
SW sick lv	<u>43,175</u>	<u>1,982</u>	<u>12,470</u>
TOTAL	277,009	59,922	80,388
TOTAL SICK LEAVE HOURS.....			417,319

<u>DOLLARS</u>	<u>IBUP</u>	<u>MEBA</u>	<u>MM&P</u>
SE vacation	2,329,600	785,700	594,400
SW vacation	4,200	20,200	157,300
SW personal lv	8,000	167,200	0
SW A-days	<u>851,900</u>	<u>8,100</u>	<u>85,600</u>
Total	3,193,700	981,200	837,300
TOTAL VACATION \$\$'s.....			5,012,200
SE sick lv	3,905,000	1,350,000	1,711,500
SW sick lv	<u>584,200</u>	<u>33,900</u>	<u>229,300</u>
Total	4,489,200	1,383,900	1,940,800
TOTAL SICK LEAVE \$\$'s.....			7,813,900
TOTAL SYSTEM LEAVE LIABILITY.....			<u>\$12,826,100</u>

*"Hours" represents actual figures. "Dollars" represents an estimate based on average wage per hour by bargaining unit. COLA compensation is not included.

POWERS OF THE AUTHORITY

The authority has been granted power to:

- adopt and enforce bylaws and regulation for the conduct of its business and for the use of its services and facilities.
- maintain offices at places in the state that are served by the marine highway system.
- subject to appropriation of the legislature, acquire, hold, use and dispose of its income, revenues, funds, and money.
- operate, maintain, improve, and extend a system of ferries connecting with the public roads and highways of the state.
- establish rates and tariffs, after public hearings.
- modify routes, after public meetings.
- acquire, hold, use, lease, rent, construct, and dispose of real and personal property for its purposes.
- sue and be sued
- adopt an official seal.

DUTIES OF THE AUTHORITY

House Bill 81 stipulates duties for the authority:

- Assist the residents, businesses, and communities of the state in obtaining the best and most frequent possible marine passenger and freight service.
- Schedule vessel sailings to maximize the frequency of service to all ports.

- Encourage and integrate with other public and private carriers to provide maximum service within the state and between Alaska and ports outside the state.
- encourage in state vessel maintenance, construction and service to the greatest extent possible.
- employ residents of the state to the greatest extent possible.
- provide reservation access and marketing information throughout the state
- recognize Alaska based unions and employee associations.
- require prepayment of reservations

The authority would provide the marine highway system with the autonomy it needs to make day to day management decisions. Currently, the Commissioner of DOT/PF is given direct and full responsibility for all modes of transportation including roads, airports and ferries. With the size of the department and the number of responsibilities, it is impossible for any Commissioner to be involved in the decisions affecting the system on a daily basis. The authority would provide continuity of leadership on a continual basis. In contrast to the Commissioner, board members for the authority would have a single purpose.

Decisions affecting the system such as vessel replacement, labor relations, routing, fare increases, budgetary concerns, etc. would be dealt with on an ongoing basis by the board of directors and employees of the authority. Essentially, instead of the decisions being made by one person who is responsible for the entire transportation system, you would have seven members who would deal with all issues affecting the *AMHS only*, on a continual daily basis.

Focusing this much time and attention ("brainpower") in one single area will no doubt benefit the system. Many people argue that management of any business is the key to its success.

ALASKA MARINE HIGHWAY SHORE FACILITIES

There are currently 35 AMHS shore facilities within Alaska. 18 of these shore facilities are owned by the State of Alaska (AMHS). The remaining 17 facilities are owned by other entities or individuals and leased by the AMHS.

Under the authority, it is proposed that all shore facilities and land currently used by the AMHS to provide service would be transferred/leased to the authority.

House bill 81 (Page 3 line 20) provides the authority with the following powers:

- a. Maintain offices at a place in the state and at places out of state that are served by the marine highway system.
- b. acquire, hold, use, rent, lease, construct, and dispose of real and personal property for its purpose.
- c. operate, maintain, improve, and extend a system of ferries connecting with the public roads and highways of the state including the boats, vessels, wharves, docks, approaches, landings, and appurtenances the authority determines to be necessary or desirable for safe and efficient operation of the ferry system.

QUESTION

*a. How should land ownership be handled insofar as terminal holdings are concerned?
Should title to the land be given to the authority?*

The land and facilities currently utilized by the A.M.H.S belongs to several different entities. The State Department of Transportation holds title to a majority of the land however, the Department of Natural Resources also has title to some of this land. In addition, the land and facilities leased by the A.M.H.S. is owned by cities, boroughs and private individuals. It is anticipated the leases currently in place with the A.M.H.S. could be transferred or renegotiated by the authority. The questions surrounding the lands currently held by the state would need to be addressed. Should land currently held by the state and utilized by the A.M.H.S. be transferred to the authority?

b. What restrictions, if any, should apply to appropriate land uses?

c. What about public use of this land?

This section is somewhat unclear. Page 6, Line 18 states the authority may adopt regulations governing the use of ferry terminal facilities by the public.

d. Should any powers of eminent domain be granted?

e. Is there a need to more clearly define the specific power of the authority to manage, lease, purchase, dispose or exchange lands that belong to the state?

House bill 81 provides the authority with the power to acquire, purchase, gift or exchange privately or publicly owned land in fee simple or easements that it considers necessary and reasonable for either temporary or permanent public use. The authority may vacate land by filing a deed in the appropriate recording district. This land would then revert to the persons, heirs, or successors to whom it was vested at the time of taking.

The authority may transfer land not considered necessary for use to the Department of Natural Resources for disposal. Proceeds of disposal shall be credited to the funds from which the purchase was originally made.

g. Is there a need for the Department of Natural Resources to approve any land purchases by the authority?

The authority may acquire land or materials notwithstanding the fact that title to it is vested in the state or a department, agency, commission, or institution of the state.

h. What about purchasing supplies and equipment? Would State Procurement Policies need to be followed?

Page 6 Line 13 states that any purchasing undertaken for the acquisition or maintenance of ferry terminal facilities are governed by AS 36.30 (State Procurement Code)

AMHS - owned facilities

Angoon
Auke Bay
Clark Bay
Cordova
Haines
Hollis
Hoonah
Kake
Ketchikan
KVMF/South Berth
Metlakatla
Petersburg
Sitka
Skagway
Tenakee
Valdez
Whittier
Wrangell

Non-AMHS owned facilities

Chignik
Cold Bay
Cordova
Homer
King Cove
Kodiak
Ouzinkie
Pelican
Port Lions
Prince Rupert
Sand Point
Seattle
Seldovia
Seward
Tatilted/Ellamar
Unalaska
Valdez

In 1988, AMHS, Marine Facilities engineering division completed a condition survey report for all 36 shore facilities. The following pages outline the status of each facility

AMHS Shore Facility Long Term

<u>Year</u>	<u>Site</u>	<u>Component</u>	<u>Rating</u>	<u>Action Needed</u>	<u>Projected Cost</u>
1989	Hoonah	Illumination	3	Improve area lighting	
1989	Hoonah	Parking	3	Provide and delineate long-term and transient parking	
1989	Hoonah	Staging	3	Enlarge staging area	\$400,000
1989	Valdez	Fendering	3	Replace fender systems	\$120,000
1990	Petersburg	Other: Sea-plane float	5		\$100,000
1992	Metlakatla/ Walden Pt.	Lift/Pontoon	0	Add ballast handling or ramp adjusting system	
1992	Metlakatla/ Walden Pt.	Building	8	Renovate for indoor plumbing	
1992	Metlakatla/ Walden Pt.	Power	8	Provide auxiliary/emergency generator	
1992	Metlakatla/ Walden Pt.	Sewer	0	Provide sewer system	
1992	Metlakatla/ Walden Pt.	Water	0	Provide water system	\$250,000
1992	Tenakee Springs	Fendering	6	Replace timber fender piles on dock	\$ 40,000
1994	Petersburg	Fendering	6	Replace southern lead in fender	
1994	Petersburg	Illumination	8	Improve to accommodate improved parking/staging area	
1994	Petersburg	Mooring	6	Add zincs to piles	
1994	Petersburg	Mooring	6	Replace southern lead in dolphin	
1994	Petersburg	Parking	6	Reconstruct and reconfigure parking area	
1994	Petersburg	Staging	6	Reconstruct and reconfigure staging area	\$450,000
1995	Auke Bay-mainline	Sewer	6	Replace with secondary system/ marine outfall or tie to city system	\$ 30,000
1995	Clark Bay	Basin	7	Remove pinnacles on approach to allow larger vessels	
1995	Clark Bay	Building	5	Provide new building with all amenities, like Sitka	

<u>Year</u>	<u>Site</u>	<u>Component</u>	<u>Rating</u>	<u>Action Needed</u>	<u>Projected Cost</u>
1997	Whittier	Catwalks/ Gangways	0	Reconfigure for TUSTEMENA	
1997	Whittier	Fendering	0	Add fendering for TUSTEMENA	
1997	Whittier	Mooring	0	Add mooring structures for TUSTEMENA	
1997	Whittier	Transfer	0	Construct TUSTEMENA	\$550,000
1995	Multiple				
	Angoon	Mooring	8	Add zincs to piles	
	Auke Bay - Mainline	Mooring	8	Add zincs to piles	
	Haines	Mooring	8	Add zincs to piles	
	Hoonah	Mooring	8	Add zincs to piles	
	Skagway	Mooring	8	Add zincs to piles	
	Tenakee Springs	Mooring	8	Add zincs to piles	\$ 25,000
2000	Angoon	Parking	4	Provide and delineate transient and long-term parking	
2000	Angoon	Illumination	8	Reconfigure for new terminal building	
2000	Angoon	Building	0	Construct new terminal building	
2000	Angoon	Power	0	Construct power system with terminal building	
2000	Angoon	Sewer	0	Construct sewer system with terminal building	
2000	Angoon	Staging	7	Expand and delineate traffic pattern	
2000	Angoon	Water	0	Construct water system with terminal building	\$500,000
2001	Auke Bay-mainline	Building	9	Expand terminal building	
2001	Auke Bay-mainline	Power	9	Improve to accommodate improvements	\$150,000
2001	Haines	Building	8	Expand terminal building and add covered walkways	
2001	Haines	Fendering	6	Replace bulkhead fendering	
2001	Haines	Mooring	6	Rehabilitate/repair bulkhead	
2001	Haines	Power	9	Improve power system to accommodate terminal building expansion	
2001	Haines	Sewer	8	Improve to accommodate expanded terminal building	
2001	Haines	Water	7	Develop new potable source, provide system to ship, and expand terminal	\$1,000,000
2001	Hoonah	Mooring	0	Add dolphins to allow larger vessels	
2001	Hoonah	Fendering	0	Add fender systems for larger vessels	
2001	Hoonah	Catwalks/ Gangways	0	Add catwalks/gangways for larger vessels	\$300,000

<u>Year</u>	<u>Site</u>	<u>Component</u>	<u>Rating</u>	<u>Action Needed</u>	<u>Projected Cost</u>
2001	Sitka	Mooring	5	Add zincs to piles	
	Whittier	Mooring	0	Add zincs to piles	
	Wrangell	Mooring	8	Add zincs to piles	\$ 40,000
	Multiple - Auke Bay	Catwalks/ Gangways	9	Clean and recoat catwalks/gangways	\$ 60,000
	Auke Bay	Transfer	8	Clean and recoat bridge, replace worn hinges	\$ 80,000
	Haines	Catwalks/ Gangways	9	Clean and recoat catwalks and gangways	\$ 30,000
	Haines	Transfer	9	Clean and recoat	\$ 80,000
	Ketchikan-mainline	Catwalks/ Gangways	8	Clean and recoat catwalks and gangways	\$ 40,000
	Ketchikan-mainline	Lift/Pontoon	9	Clean and recoat pontoon	\$ 80,000
	Ketchikan-mainline	Transfer	9	Clean and recoat	\$ 80,000
	KVMF South Berth	Workfloat	9	Clean and recoat workfloats	\$150,000
	KVMF South Berth	Lift/Pontoon	9	Clean, recoat and change zincs	\$100,000
	KVMF South Berth	Transfer	9	Clean and recoat	\$ 80,000
	Metlakatla	Lift/Pontoon	7	Clean, recoat pontoon, change zincs	\$100,000
	Petersburg	Catwalks/ Gangways	9	Clean and recoat catwalks/gangways	\$ 60,000
	Petersburg	Lift/Pontoon	9	Clean and recoat barge, change zincs	\$ 80,000
	Petersburg	Transfer	9	Clean and recoat transfer bridge	\$ 80,000
	Sitka	Catwalks/ Gangways	9	Clean and recoat catwalks/gangways	\$ 20,000
	Sitka	Lift/Pontoon	9	Clean and recoat, change zincs	\$ 80,000
	Sitka	Transfer	9	Clean and recoat transfer bridge	\$ 80,000
	Skagway	Catwalks/ Gangways	7	Clean and recoat catwalks/gangways	\$ 20,000
	Skagway	Transfer	8	Clean and recoat pedestrian transfer bridge	\$100,000
Tenakee Springs	Lift/Pontoon	9	Clean, recoat, and replace zincs	\$ 80,000	
Whittier	Catwalks/ Gangways	9	Clean and recoat	\$ 20,000	
Whittier	Transfer	9	Clean and recoat	\$ 80,000	
Wrangell	Catwalks/ Gangways	8	Clean and recoat catwalks/gangways	\$ 40,000	
Wrangell	Transfer	9	Clean and recoat transfer bridge	\$ 80,000	
				TOTAL	\$1,700,000

<u>Year</u>	<u>Site</u>	<u>Component</u>	<u>Rating</u>	<u>Action Needed</u>	<u>Projected Cost</u>
2001	Wrangell	Power	8	Improve power system with terminal expansion	
2001	Wrangell	Building	9	Enlarge terminal building	
2001	Wrangell	Water	9	Improve water system with terminal expansion	
2001	Wrangell	Illumination	9	Improve illumination with enlarged terminal building	\$190,000
2001	Valdez	Mooring	7	Replace existing dolphins if new alignment not selected by 2006	\$700,000
2001	Whittier	Basin	9	Maintenance dredge	\$100,000
2016	Angoon	Fendering	8	Replace fendering system	\$ 50,000
2016	Auke Bay-mainline	Mooring	9	Replace mooring system	
2016	Auke Bay-mainline	Fendering	9	Replace fendering system	
2016	Auke Bay-mainline	Catwalks/ Gangways	9	Replace catwalks/gangways	\$300,000
2016	Cordova	Mooring	7	Replace backup	
2016	Cordova	Lift/Pontoon	7	Replace lift system	\$270,000
2016	Hoonah	Building	6	Replace terminal building	\$250,000
2016	Ketchikan-mainline	Mooring	7	Replace remaining dolphins and dock	
2016	Ketchikan-mainline	Fendering	7	Replace fender systems on remaining structures	
2016	Ketchikan-mainline	Catwalks/ Gangways	8	Replace catwalks and gangways	\$520,000
2016	Sitka	Mooring	9	Replace mooring system on dock	
2016	Sitka	Fendering	9	Replace dock fendering	\$220,000
2016	Skagway	Mooring	7	Replace dolphin "R"	
2016	Skagway	Mooring	7	Replace dolphin "A"	
2016	Skagway	Fendering	7	Construct new fender system on dolphin "A"	\$180,000
2016	Tenakee Springs	Mooring	8	Replace mooring system	
2016	Tenakee Springs	Fendering	8	Replace fendering system	
2016	Tenakee Springs	Transfer	9	Replace transfer system	\$220,000
2016	Wrangell	Fendering	8	Replace steel dolphin fendering	\$ 60,000
2026	Haines	Mooring	9	Replace steel dolphin	
2026	Haines	Fendering	9	Replace steel dolphin fendering	
2026	Haines	Catwalks/ Gangways	9	Replace steel catwalks/gangways	
2026	Haines	Lift/Pontoon	9	Replace lift system	
2026	Haines	Transfer	9	Replace transfer bridge	\$820,000

<u>Year</u>	<u>Site</u>	<u>Component</u>	<u>Rating</u>	<u>Action Needed</u>	<u>Projected Cost</u>
2026	Whittier	Lift/Pontoon	9	Replace lift system	\$200,000
2026	Whittier	Mooring	9	Replace dolphin	\$150,000
2026	Wrangell	Mooring	8	Replace steel dolphins	
2026	Wrangell	Lift/Pontoon	8	Replace lift	\$240,000

AMHS VESSELS AND ROUTES

What was the total operating budget each year for the past 5 years?

AMHS OPERATING BUDGET

YEAR	AUTHORIZATION	EXPENDITURE
1984	63,147,200	62,128,800
1985	65,658,900	65,434,200
1986	68,124,600	65,793,900
1987	65,529,900	64,310,900
1988	67,039,500 *	65,595,200

*Includes retirement Incentive Program, \$1,143,300

How many passengers and vehicles traveled on the AMHS each year for the past 5 years?

AMHS TRAFFIC --- 1984 to 1988 (calendar years)

YEAR	PASSENGERS	VEHICLES
1984	367,250	95,510
1985	369,429	96,266
1986	347,869	92,025
1987	378,691	99,975
1988	394,532	107,314

How many total gallons of fuel did the system use each year for the past 5 years? What was the average price per gallon paid for this fuel?

AMHS FUEL CONSUMPTION & PRICES

Fiscal year	GALLONS	AVG PRICE PER GALLON
1985	9,126,821	\$0.87
1986	9,148,503	\$0.81
1987	7,980,930	\$0.52
1988	7,784,666	\$0.54
1989	8,014,580	\$0.62

NAME OF VESSEL	YEAR PLACED IN SERVICE	ORIGINAL COST	REPLACEMENT COST	NUMBER OF PASSENGERS	NUMBER OF VEHICLES	NUMBER OF STATEROOMS	GALS/FUEL PER HOUR
M/V COLUMBIA	1974	\$22.00	\$70.00	1000	180	91	415
M/V MALISPINA	1963	\$5.00	\$53.00	750	120	86	215
M/V MATANUSKA	1963	\$5.00	\$53.00	750	120	112	240
M/V TUSTUMENA	1964	\$5.20	\$29.00	200	54	27	190
M/V LECONTE	1974	\$5.60	\$21.50	250	47	0	250
M/V TAKU	1963	\$5.00	\$28.50	500	105	44	215
M/V AURORA	1977	\$7.70	\$21.00	250	47	0	250
M/V BARTLETT	1969	\$3.20	\$12.00	236	40	0	170
M/V CHILKAT	1959	N/A	1.5	75	15	0	35

WHAT FUNDS ARE CURRENTLY AVAILABLE FOR REPLACEMENT OF EXISTING VESSELS?

There are no funds currently available for vessel replacement.

WHERE WOULD THE NEW REPLACEMENT VESSEL BE BUILT?

The only legal requirement is that it be built in the United States. Otherwise, it would be built by the lowest bidder.

WHAT TIME PERIOD WOULD WE BE LOOKING AT FOR ACTUAL VESSEL DELIVERY IF WE PLACED THE ORDER TODAY?

Two to three years, assuming award of a single design/build contract today. Separate design and build contracts would add six months to the process.

WHAT IS THE ANTICIPATED USEFUL LIFE FOR EACH VESSEL? (WHAT YEAR DO YOU ANTICIPATE THE VESSEL NEEDING REPLACEMENT?)

With proper maintenance and refurbishment, the time is indefinite. The older the vessels get, the more that maintenance and refurbishment costs. Even so, proper maintenance and refurbishment requires less cash flow than replacement.

The useful life of a vessel may also be cut short by "mission obsolescence", which can occur as changing market conditions and technology render the vessel unsuitable for new conditions. An evaluation of potential mission obsolescence within the fleet would require a projected needs analysis coupled with speculation into technological advances which may occur in the future.

WHAT IS THE CURRENT STATUS OF EACH VESSEL?

As of mid-September, 1989, all vessels are operations except the Chilkat, which is moored in Ketchikan. The Chilkat is recommended for surplus, and will require a shaft overhaul before the Coast Guard will allow it into passenger service.

As we move into the overhaul and lay up season, various vessels will move out of operational status into overhaul or lay-up status.

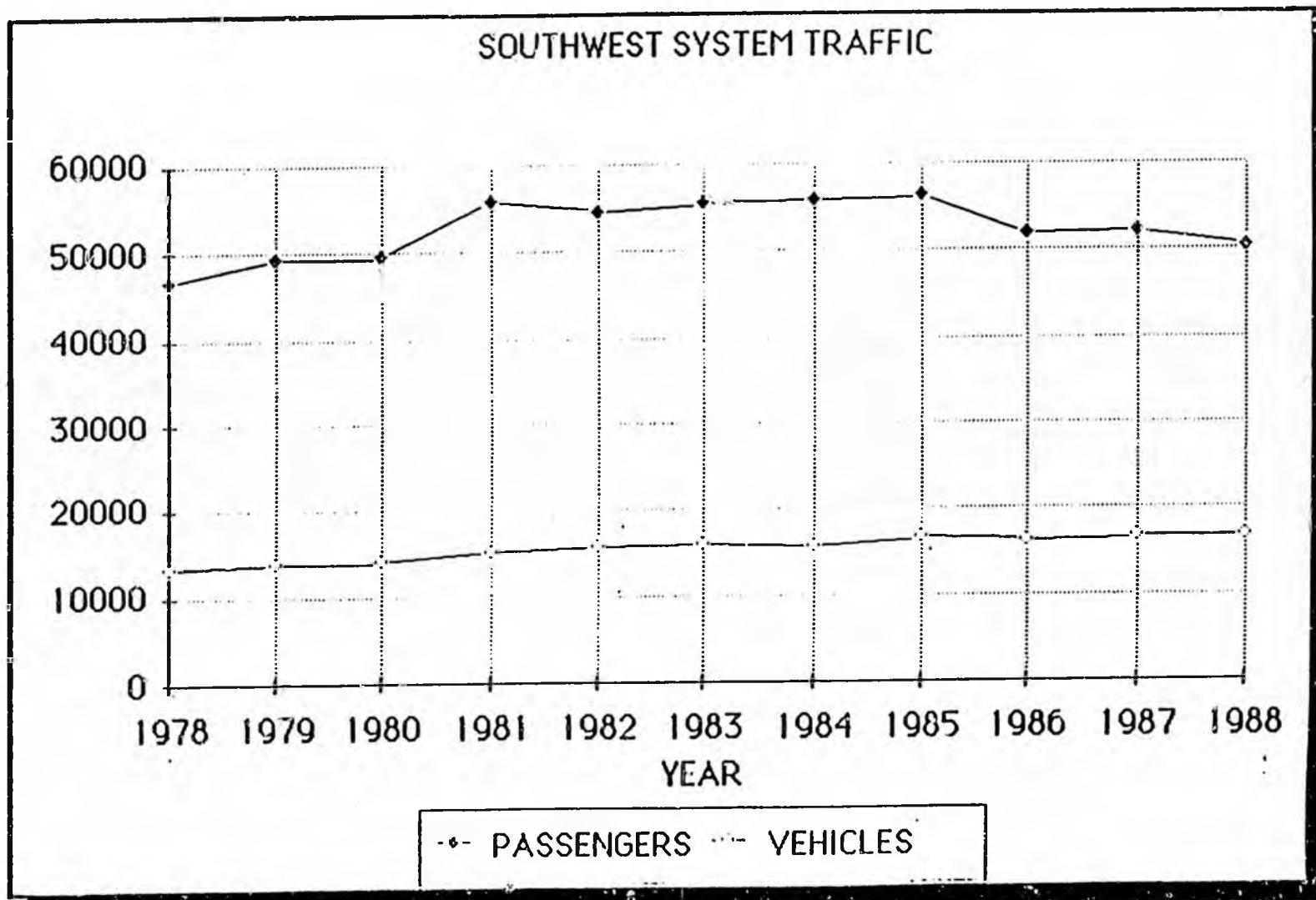
IN WHAT YEAR DID THE LEGISLATURE APPROPRIATE FUNDS (FEDERAL OR STATE) FOR THE ACQUISITION OF A HIGH SPEED FERRY? HOW MUCH WAS AUTHORIZED? WHAT IS THE STATUS OF THIS FUNDING?

Chapter 128/SLA 86 authorized \$4,905,000 total (FA and GF) to build high speed ferries. Approved revised program documents the current authorization at \$4,228,765 (\$353,541 GF and \$3,875,224 FA) The project requires federal approval to proceed which is conditioned on completion of the Master Plan. If the plan recommends high speed ferries we would reevaluate all projects in the six year plan and start as soon as practical within funding constraints. (The Master Plan is scheduled to be completed at the end of 1989)

HOW MUCH HAS BEEN SPENT TO STUDY THE HIGH SPEED FERRY CONCEPT? WHEN WERE THESE STUDIES UNDERTAKEN?

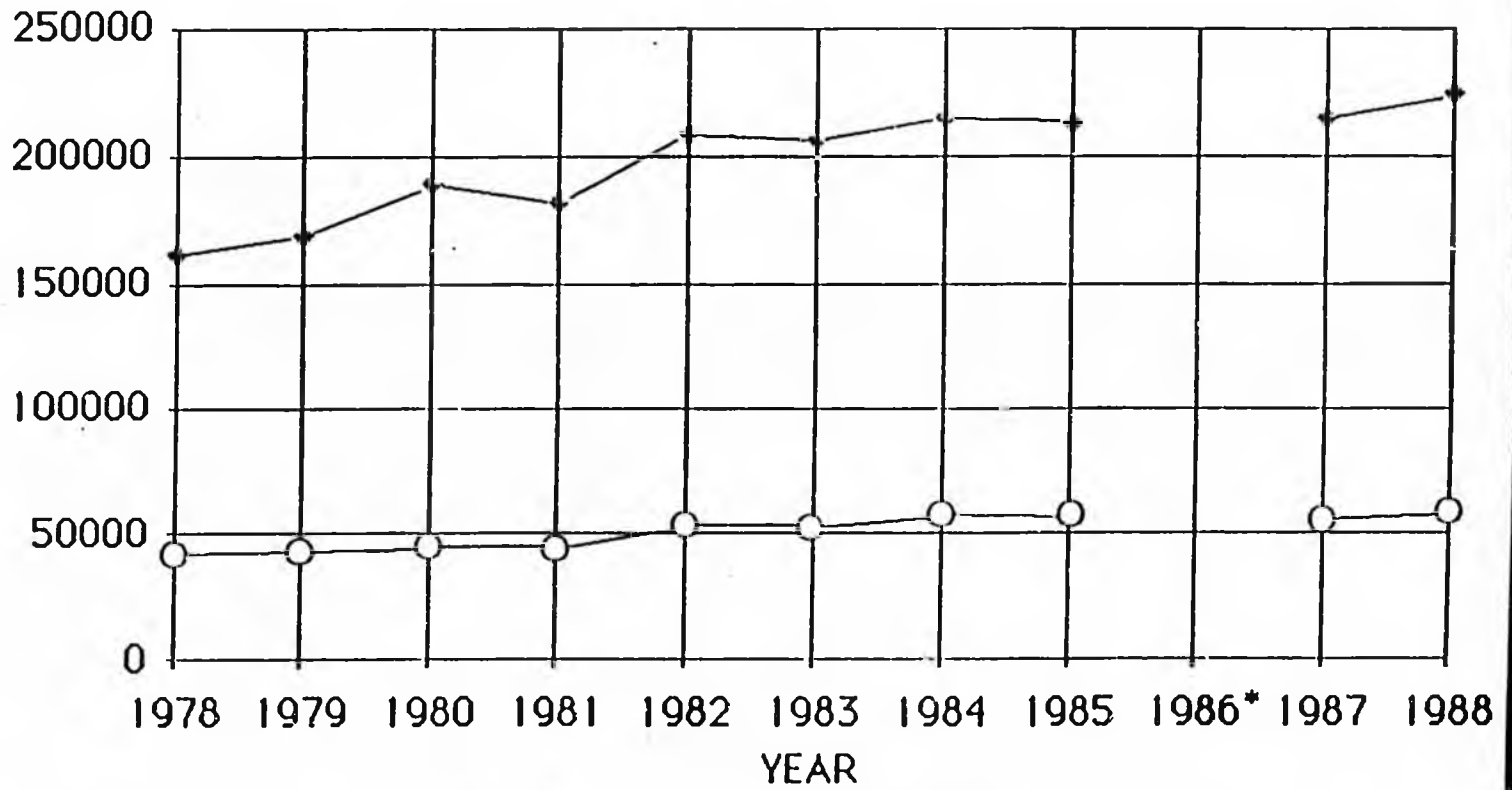
In 1983 a Jetfoil Demonstration Project was completed for \$3,469,903.99 No other specific high speed ferry studies have been conducted, however, both the Southeast Alaska Transportation Plan of 1985 and the AMHS transportation Plan of 1986 evaluated high speed ferries for use in the Southeast system.

AMHS 1988 TRAFFIC VOLUME REPORT



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SOUTHEAST MAINLINE TRAFFIC

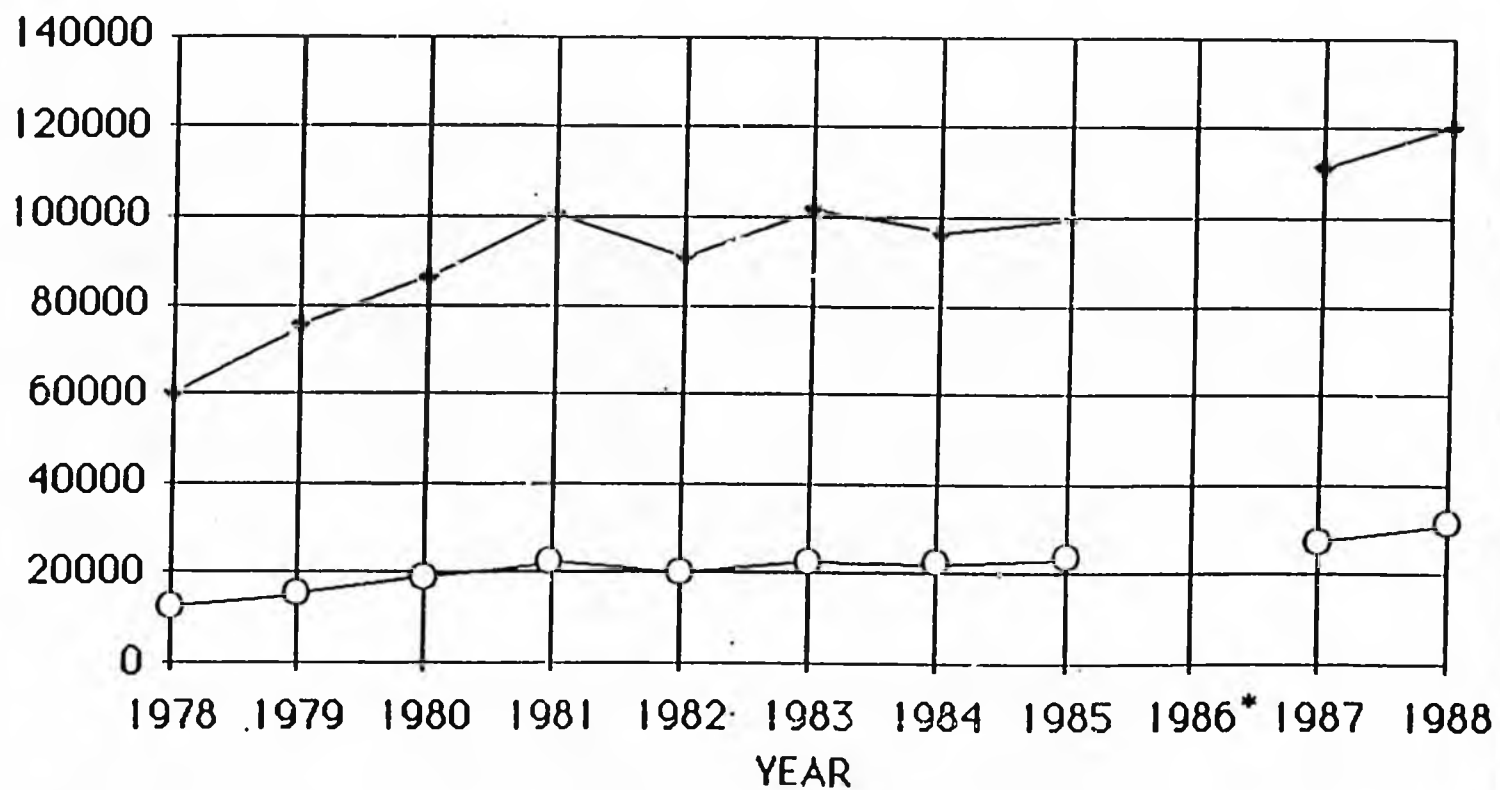


*1986 Data not available

◆ PASSENGERS ○ VEHICLES

AMHS 1988 TRAFFIC VOLUME REPORT

SOUTHEAST SECONDARY TRAFFIC



*1986 Data not available

◆ PASSENGERS ○ VEHICLES