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First Things First Alaska Foundation (FTFAF) presentation to the Alaska Marine Highway Reshaping Work Group, September 3, 2020.

Good Afternoon,

Joseph Kahklen
President

We appreciate the opportunity to address you concerning an integrated transportation plan in Southeast Alaska.

Rosemary Hagevig
Vice President

I am Denny DeWitt, a member of the FTFAF Board. With me are Frank Bergstrom, also a member of the Board, and Don Habeger, our Executive Director.

Corey Baxter
Secretary

Frank Bergstrom
Treasurer

FTFAF is dedicated to preserving the economic viability and future of Alaska through education. FTFAF works to educate the public by monitoring and researching natural resource management issues and by highlighting reasonable use, access, economic opportunities and development, all of which can be done while protecting the environment. FTFAF promotes public understanding of the facts regarding resource issues, whether they be mining, timber, fishing, or tourism, and encourages the public to participate in the decision-making process.

Directors
Richard Burns
Wayne Coogan
Dennis DeWitt
Naomi Hobbs
Neil MacKinnon
Mac Meiners
Scott Spickler

Let me begin by saying the notion that roads, planes, and ferries are independent or mutually exclusive is not supported by FTFAF nor the reality in Southeast Alaska.

John Sandor
Director Emeritus

We believe that the Alaska Marine Highway System (AMHS) is an important part of a comprehensive, integrated transportation system, including marine, road, air, public, and private components. As your group moves toward a final report, it is important that you consider how the AMHS can function as a part of that system, rather than simply looking at it in isolation.

Don Habeger
Executive Director

In May 2016, FTFAF published a report, "Southeast Alaska Transportation Network." We mailed it to every mailbox in Southeast Alaska. We hoped it would begin an understanding of how roads could relieve demand for limited AMHS capacity and the belief that the future funding would not increase. We highlighted Juneau Access (aka Highway 7 extension), a road from Juneau, ultimately connecting with Haines, Skagway, and the continental highway system, Sitka access with a road to Warm Springs Bay, and the Kake Access project with a road and shuttle ferry to Petersburg. These projects would improve transportation access for communities and allow the deployment of AMHS resources through the balance of the system. We have provided copies of the report for your review.

First Things First Alaska Foundation (FTFAF) is dedicated to preserving the economic viability and future of Alaska through education. There is a clear need to educate the public on the benefits of responsible economic development and natural resource management.

In April 2019, FTFAF sent a letter to Governor Dunleavy encouraging extending Highway 7 to Cascade point and building a ferry terminal:

“The Department of Transportation and Public Facilities (DOT&PF) is proposing to use the funding to extend the road to Cascade Point and build a ferry terminal to efficiently operate the Alaska Class Ferry (ACF) as a day boat between Juneau, Haines, and Skagway. This will allow the ACF to complete a round-trip connecting all three communities under 11 hours a day. It also eliminates running the ACF ferries parallel to a road.”

In January 2020, FTFAF sent a second letter to Governor Dunleavy supporting the Northern Economics report concerning a terminal at Cascade Point:

“There are many suggestions for improving the operation of the Alaska Marine Highway System, including structure, operations, financing, and terminals.

We would highlight option 11A:

“Option 11A: Development of a ferry terminal at Cascade Point on Berners Bay at the northern end of the Glacier Highway approximately 30 miles north of the current Auke Bay Terminal in Juneau. The Cascade Point terminal would serve the base for dedicated ferry runs in Lynn Canal and reduce Juneau–Haines, and Juneau–Skagway one-way sailing times by approximately 2.1 hours.” (Page 110)

Based on the assessment conducted, the study team provided the following recommendation:

“7. Consider additional infrastructure to reduce operational costs. State investments in infrastructure are typically able to leverage much larger levels of federal funding. Examples include a) development of the terminal at Cascade Point; b) development of the road to Warm Spring Bay with a terminal; c) development of the road between Kake and Wrangell Narrows.” (Page 121) “

Cascade Point terminal improves the efficiency of ferry operation, freeing vessel(s) for use on other southeast routes.

In the early Spring of 2020, FTFAF aired the following message on radio throughout Southeast Alaska:

“Southeast Alaska is hurting by the decline of the ferry system. We urgently need remedies. The governor appointed a new committee to devise solutions. However,

to avoid the same problems in the future, we need a fully integrated regional transportation plan that includes the most efficient combination of roads, ferries, barges, and air services. Let's encourage leaders to view a bigger picture of transportation needs in Southeast Alaska. First Things First Alaska Foundation—educating Alaskans for a brighter future.”

We believe FTFAF has demonstrated its support for integrating our transportation system. We do feel that we are often alone in many discussions. Transportation has changed since the AMHS was established in 1962. Air transportation is radically different from what we saw in 1962. The ability to construct roads has improved, the potential for the use of barges has changed. Marine navigational aids and tracking have improved substantially. Yet, we continue to plan our ferry system's future as an independent transportation entity in Alaska.

The Alaska Marine Highway Reshaping Work Group has an opportunity to begin to look at the future of the AMHS in the context of an integrated transportation plan. With the aging of the fleet, serious consideration must be given to the type and cost of replacement vessels. You could be thinking of how AMHS can integrate with airplanes, roads, and private barges to maximize the transportation options in coastal Alaska. It is unlikely there will be future funding to replace and operate larger vessels with similar, costly vessels. This may lead to considering smaller shuttle type vessels focused on moving cars with limited amenities and forgoing barge type services. Changing the planning paradigm now may offer a realistic future for AMHS.

The AMHS should recommend a plan for the integration of the system as a means to provide maximum service within the limited operational resources that will be available to the system. That recommendation might consider the state's cost of providing ferry transportation service against the cost to the state of providing transportation using other modes of services and combinations of service types through contracts. If the state will be subsidizing services, you should be asking if there are opportunities to subsidize more efficient or effective modes of transportation that can deliver services to a community.

In the duties of the Work Group is the following:

“The Work Group will define the future needs and purpose of the AMHS, with the goal to ensure residents have access to essential transportation services among Alaskan coastal communities.”

Name
Date
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We hope this will lead you to consider how the AMHS can begin to integrate into a transportation system by looking at improving infrastructure that will save long term operating costs.

We have spoken of the savings possible by moving a terminal to Cascade Point. The Northern Economics report suggests the move could save over a million dollars a year. The funds are available to make this move possible.

Another easy savings is to finish the road connection between Hoonah and Tenakee Springs. According to the Northern Economics report, this could offer almost \$500,000 annual savings in operations.

These are just two examples of easy opportunities available for your support. We hope you will seriously look at other innovative opportunities. Opportunities can be found in the Northern Economics report and plans put forward for many years by the Southeast Conference.

We appreciate the opportunity to share our perspective and hope that you will consider how the AMHS can fit into an integrated transportation plan. We believe it is the only path to long term sustainability for AMHS. As the past is often prologue, continued focus on ferry scheduling as the only transportation option will continue to be met with the erosion of state funding. Innovation and integration are the options that will lead to a long-term future for AMHS.

Thank you for this opportunity. We would be happy to respond to any questions.