

[www.cityofseldovia.com](http://www.cityofseldovia.com)

P.O. Drawer B Seldovia, Alaska 99663 Phone: (907) 234-7643, Fax: (907) 234-7430 email: [citymanager@cityofseldovia.com](mailto:citymanager@cityofseldovia.com)

Mayor Castner and Homer City Council  
491 E. Pioneer Ave.  
Homer, AK 99603  
Submitted electronically: [citymanager@cityofhomer-ak.gov](mailto:citymanager@cityofhomer-ak.gov)

Subject: Municipal Partnership to Discuss the Alaska Marine Highway System with Governor Dunleavy's Office

December 30, 2020

Mayor Castner and Homer City Council,

On behalf of Seldovia City Council, I am reaching out to assess the potential between our two cities to partner together when discussing the future of the Alaska Marine Highway System with Governor Dunleavy. Seldovia penned the enclosed letter at their last council meeting, however there was interest from Seldovia councilmembers in co-authoring a letter with the City of Homer to share our communities' concerns with his office. We are both connected by the ferry system, perhaps our cities could come together to advocate for its future, too.

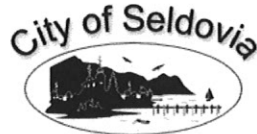
Best,

A handwritten signature in blue ink, appearing to read "Rachel Friedlander".

Rachel Friedlander  
City Manager

Enclosures:

Dec. 28, 2020 Letter from Seldovia City Council to Governor Dunleavy



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Office of the Governor  
P.O. Box 110001  
Juneau, AK 99811-0001

Subject: Invitation from Seldovia City Council to Honorable Governor Dunleavy to  
Further Discuss the Alaska Marine Highway System

December 28, 2020

Honorable Governor Dunleavy,

The City of Seldovia would like to invite you and/or Commissioner MacKinnon and Captain Falvey Jr. at either our January 11<sup>th</sup> or the 25<sup>th</sup> council meeting to further discuss topics associated with the Alaska Marine Highway System as outlined below.

Seldovia, Alaska is one of thirty-five coastal communities that relies on a year-round ferry system to provide essential transportation and the M/V Tustumena and Kennicott are lifelines to the people of Seldovia. We want to support you in making the Alaska Marine Highway System a sustainable service to the public while ensuring our community's access to this necessary, dependable transportation. When the ferry is running it keeps the cost of living down for rural Alaskans.

In November 2020, Seldovia City Council passed Resolution 21-13 (enclosed) in support of the establishment of an Alaska Marine Highway System Governing Board, one of the main recommendations posed in the October 2020 "Alaska Marine Highway Reshaping Work Group Report to the Governor." The resolution also advocated for the replacement of the M/V Tustumena and emphasized the need to provide this vital and critical transportation service to small Alaskan coastal communities.

The ferry is part of the infrastructure we can expect from the state. This is an essential service to the citizens of Alaska and should not be run as a corporation. We agree with the working group report's recommendation to "(keep) the current department agency model."

Operating on the premise of making money with the marine highway is wrong when compared to the income of DOT land highways, which do not contribute funding.

We are looking forward to your response to the work group report and want to pose the following topics for discussion to be held with you in January:

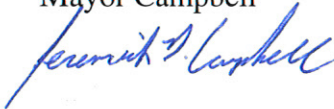
**Topics for Discussion**

- How is the State ensuring the AMHS budget is sustainable? The FY2022 budget as proposed by the Governor reduces the Marine Vessel Operations budget by \$2,469.7M or -5.4%.
- How is progress being made on the construction of a new Tustumena ferry? What is the long-term fleet plan for the Tustumena?
- How will the state determine and set a static and dependable ferry schedule? The community of Seldovia is willing to entertain the idea of a reduced schedule to ensure ridership on the ferry is high.
- How will the state determine when a vessel is scheduled for the dry dock? It would be best to make sure SOLAS capable vessels like the Kennicott and Tustumena are dry-docked 6 months apart to ensure no interruption in service.

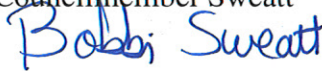
Please know our community is willing to work with the state and is open to making changes to the existing ferry system. As mentioned in the report, the voters approved the bonds needed to bring Alaska's first ferries and docks to the Kenai Peninsula. We are a significant part of the AMHS's history and want your commitment that we will be in its future.

Respectfully,  
Seldovia City Council

Mayor Campbell



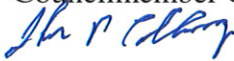
Councilmember Sweatt



Councilmember Rojas



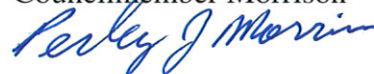
Councilmember Colberg



Councilmember Nathan



Councilmember Morrison



Councilmember Payton

CC: 

Commissioner MacKinnon

Captain Falvey Jr.

Rep. Stutes

Sen. Stevens

Enclosures:

Seldovia Resolution 21-13

**CITY OF SELDOVIA  
RESOLUTION 21-13**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SELDOVIA, ALASKA  
URGING GOVERNOR DUNLEAVY AND THE ALASKA LEGISLATURE TO ESTABLISH AN  
ALASKA MARINE HIGHWAY SYSTEM GOVERNING BOARD; TO SUPPORT THE  
REPLACEMENT OF MV TUSTUMENA; AND TO CONTINUE PROVIDING THIS VITAL  
AND CRITICAL TRANSPORTATION SERVICE TO SMALL ALASKAN COASTAL  
COMMUNITIES**

**WHEREAS**, the Alaska Marine Highway System (AMHS) is a critical and essential method of transportation for residents of the State of Alaska and Alaska coastal communities; and

**WHEREAS**, Governor Dunleavy, through Administrative Order No. 313, established the Alaska Marine Highway Reshaping Work Group on January 17, 2020 with the purpose of making recommendations on the future finances and service levels of the Alaska Marine Highway System (AMHS); and

**WHEREAS**, it was the duty of the Work Group to consider the analysis and data in the Alaska Marine Highway System Economic Reshaping Report (January 15, 2020) and to 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; and

**WHEREAS**, the final report was presented to Governor Dunleavy from the Work Group on October 2, 2020, and included findings and recommendations for the purpose of supporting the Alaska Marine Highway System service provided; and

**WHEREAS**, the report recommended that the Governor establish and appoint, by administrative order, a new nine member "operations" board, with members having skills and experience a Ferry Commission or Marine Business Board of Directors would bring to bear; and

**WHEREAS**, an "operations" board would help eliminate the continuing challenge for the AMHS of frequent changes in policy direction coupled with insufficient appreciation of the long-term implications of such changes; and

**WHEREAS**, the report found that the AMHS fleet was aged and subject to challenging Alaska marine operating conditions, and despite best efforts of ships' crews and AMHS staff, the ferry system was not reliable; and

**WHEREAS**, the report speaks to the focus beginning in 2014 on the importance of building an ocean capable "replacement" vessel for the MV Tustumena, which has had a 50-year plus service life; and

**WHEREAS**, the Statewide Transportation Improvements Program (STIP) covering all system improvements for which partial or full federal funding is approved and expected to take place during four-year durations, published amendments in October 2020 proposing that FY2020 funding previously budgeted to construct the replacement vessel MV Tustumena to service Southcentral and Southwest Alaska coastal communities be moved to the FY2023 budget; and

**WHEREAS**, the postponement of funding for the MV Tustumena replacement vessel further perpetuates the unpredictable and unreliable service currently provided from use of the aged fleet that is in need of constant repair and maintenance, and does not promote the provision of long-term sustainable service to Alaskan residents and their small Alaskan communities; and

**WHEREAS**, the MV Tustumena is and continues to be an important asset for AMHS as one of only two vessels in the AMHS fleet that is ocean-capable and can provide service as a highway and lifeline connecting remote communities in Southcentral and Southwest Alaska to the rest of the great State of Alaska; and

**WHEREAS**, the replacement of the MV Tustumena would be a beneficial long-term investment for the State of Alaska in supporting the continuation of that critical and essential transportation service to small Alaska communities and could provide reliable, sustainable service to other coastal areas of the state as needed; and

**WHEREAS**, the final report from the Work Group found that reliability was a key concern of every group with which they interacted, some commentors offering that they were willing to accept less frequent ferry service if it was more predictable and reliable; and

**WHEREAS**, the report states that "It is understood that serving very small communities with the ferry system model will never be cost efficient. It is also understood and appreciated that affordable transportation options are important to them. Ideally, if the overall Alaska Marine Highway System could be made revenue/cost positive, it could absorb losses on these runs"; and

**WHEREAS**, the Alaska Marine Highway System provides an essential transportation service to the City of Seldovia and other small Alaskan communities and it is vital that these services continue, as the AMHS is the only highway connection provided to these communities for access to the rest of the State of Alaska for employment, transportation, groceries, supplies, and general livelihood that cannot be reached without the assistance of boats or planes; and

**WHEREAS**, long-term sustainable access to essential transportation services that is reliable and predictable could be ensured for all Alaska residents with the establishment of an AMHS Governing Board, with a forward funding plan, and with the continuation of the project to replace the MV Tustumena in the very near future;

**NOW, THEREFORE BE IT RESOLVED THE CITY COUNCIL OF THE CITY OF SELDOVIA:**

Section 1. That the City of Seldovia urges Governor Dunleavy and the Alaska Legislature to establish an Alaska Marine Highway System Governing Board; to support the replacement of MV Tustumena; and to continue providing this vital and critical transportation service to small Alaskan coastal communities.

Section 2. A copy of this resolution will be sent to Governor Dunleavy and members of the Alaska State Legislature.

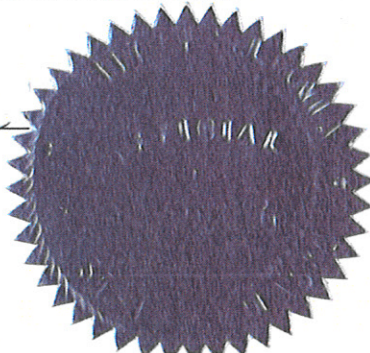
Section 3. This resolution shall become effective immediately upon its adoption.

**PASSED AND APPROVED** by a duly constituted quorum of the City Council of the City of Seldovia on this 09 day of November, 2020.

ATTEST:



Heidi Geagel, City Clerk



APPROVED:



Vivian Rojas, Acting Mayor