



August 10, 2020

Admiral Tom Barrett
Chair, Alaska Marine Highway Reshaping Work Group
Sent via email: dot.amh-reshaping@alaska.gov

Dear Admiral Barrett:

We are writing in response to your request for information regarding basic level of ferry service for our community.

The Petersburg Economic Development Council (PEDC) is charged with leading economic development efforts for the Petersburg Borough. The PEDC is led by a 10-member board of directors representing a range of business interests. Our comments are focused on the AMHS role in economic development and supporting the business community.

REGIONAL COMMERCE

For many years, the AMHS served as a “highway” allowing businesses to reach customers in many communities. Service providers, such as specialty contractors, inspectors, healthcare providers, etc., could travel with their vehicles, equipment, and supplies. Goods could be sold and shipped from Petersburg to large and small communities on a regular basis when there was regular, reliable, and affordable ferry service.

This level of ferry service no longer exists, and regional commerce has suffered as a result. Barge or air freight are the only available transportation options. Air freight works for small items but certainly not for contractors or larger goods. Intra-state barge service is cost prohibitive and is not a viable option for most small Alaskan retail businesses.

One way for the AMHS to promote commerce within the region is to include some sort of transfer service. Goods cannot be sent from Petersburg to Hoonah or to Southcentral Alaska because the AMHS does not provide a means to move an unaccompanied vehicle from one ferry to another in Juneau. A transfer service would broaden the reach of Petersburg’s regional businesses and increase service and competition for all.

SEAFOOD

Petersburg is one of the top seafood ports in Alaska and in the nation. For several years, Petersburg processors were able to deliver fresh seafood to market using the AMHS. The AMHS provided a cost-effective and relatively quick access to these markets through its weekly Bellingham route and twice-weekly Prince Rupert route.

The reduction in ferry service severely restricted our processor’s ability to access the fresh market and the lack of ferry service during the last few months has greatly reduced landing and processing of certain fresh market products in Petersburg. Barge and air freight are the only available options. AML and Samson Tugs, while reliable, offer once per week service and add several days to shipping time, which is not acceptable when moving a fresh product. With the elimination of the combi-aircrafts, Alaska Airlines offers a once a week freight service into Petersburg. Coordinating seafood landing times and poundage with available space on the freighter hasn’t resulted in a workable situation for at least one of our major processors and continues to be a limiting factor for another of our mid-sized processors.

VISITOR INDUSTRY

We've spent considerable time and money marketing Petersburg as a great destination for independent travelers. The AMHS offered unique experiences for travelers, such as navigating the Wrangell Narrows, that cannot be enjoyed from an airplane or from a large cruise ship. The AMHS offered flexibility, connections between smaller communities, and an attractive price point to potential visitors.

Unfortunately, limiting service to Bellingham, eliminating service to Prince Rupert, frequent cancellations, uncertainty over whether the ferry will operate, scheduling ferries on successive days but then having no service for a week all deter visitor travel and makes it difficult to convert our marketing efforts into our community as a viable destination for the independent traveler.

We are fortunate to have twice daily jet service into our community and the number of passengers disembarking at the airport have increased in recent years. Alaska Airlines does not provide enough lift capacity to make up for what we've lost in ferry traffic. Further, the cost of flying into Petersburg is significantly more than into larger communities placing us and other rural communities at a disadvantage.

Another way the AMHS could support the Visitor Industry is to partner with local businesses to offer unique experiences on the ferry. Cultivating private sector partnerships would amplify AMHS's marketing and increase passenger numbers and revenue.

BASIC LEVEL OF SERVICE NEEDED

We certainly understand the enormity and complexity of the task before you and are hopeful this information will provide some understanding of the opportunities and challenges surrounding the AMHS and transportation options in our area.

We believe the basic level of service needed to support commercial activity in Petersburg is:

- 2 northbound and 2 southbound port calls per week connecting Petersburg to Bellingham and/or Prince Rupert to the South and Juneau/Skagway to the North.
- Coordinate mainline service to connect with routes to smaller communities and to Southcentral.
- Transfer service so goods could be moved from one ferry to another to facilitate regional and statewide commerce.

If you have any questions or require additional information, please do not hesitate to contact our staff at lcabrera@petersburgak.gov.

Sincerely,

Board of Directors
Petersburg Economic Development Council

cc: Robert Venables, SE Conference
Nils Andreassen, AML
Petersburg Borough Assembly