Thank you for the opportunity to share about the impact of AMHS service and needs for the community of Cordova.

Cordova is a small, commercial fishing community, with no connection to the surface road system aside from the ferry. Home to Copper River Salmon, a high value fishery that is a vital part of the food chain, Cordova is currently the 11th largest seafood port in the U.S. with an annual ex-vessel value of $95MM. Cordova has spent decades building over $1 billion of infrastructure--including the largest commercial fishing fleet in Alaska--representing 750 small, independent business owners and hundreds of millions of dollars of private sector investments in seafood processing plants and shipping facilities. The AMHS is a key link that facilitates and improves the economics of these ventures, including the 350-plus Prince William Sound fishermen who live on the Alaska road system in communities like Wasilla (120), Homer (100), Anchorage (100) and others that need to get their families, boats, vehicles, and equipment back and forth to Cordova in the spring, fall and intervening timeframes.

Many aspects of the fishery rely on the marine highway to move staff, vehicles, boats, property, and equipment in and out of town. Coupled with a growing tourism industry and the vital presence of the US Coast Guard, Cordova experiences large seasonal influxes each year.

Cordova citizens enjoy a high quality of life, including access to an award-winning school district and year-round recreational activities in the Chugach National Forest and Prince William Sound. Cordova is poised for growth in both the seafood market and tourism. However, we recently endured 9 and a half months without ferry service, causing severe impacts to local businesses, cost of living, health, quality of life, and our school system.

For the community of Cordova, lack of usable, reliable AMHS service compromises the world-class seafood catching and processing business which threatens the economy and food security of our state and nation. Cordova is in jeopardy of slipping from the 11th largest seafood catching and processing port in the U.S. with an annual ex-vessel catch value of $95,000,000 to 26th, where it ranked a decade ago. This at a time when City of Cordova port and harbor improvements and the newly developing fisheries and shellfish farms are positioned to move Cordova into the top 5 US seafood ports within 10 years to grow domestic strength.

A regular, dependable ferry service with a schedule that takes local business and civic needs into account has been shown to significantly stimulate economic growth both in Cordova and throughout the State of Alaska by connecting our citizens, businesses and our world class fishery to the southcentral and statewide infrastructure.

1. What baseline of ferry service do you believe is essential to support community, economic, and social well-being that cannot be met by other means (such as commercial air, and/or barge services)?
   1. Cordova believes 3 departures per week can work in summer, at a minimum.
   2. 1-2 departures per week can work in winter, as long as they accommodate tournament schedules.
   3. However, Cordova would like to give input on the schedule to assure it fits our needs, which vary by season. If so, you’ll see revenues double.
2. Does the need for ferry service significantly change between winter and summer?
   1. Cordova is a highly seasonal community. Fishing needs and tourism are important in summer. School and personal needs (healthcare, business trips, and supply runs) are important in winter.
3. What frequency of service would address the essential service you need? For example, can your needs be meet with a every two-week schedule?
   1. A ferry every two weeks would definitely not fit Cordova’s needs very well, and would result in less overall use of the marine highway, which is necessary both as an avenue of commerce for local businesses and as a vital roadway to fill critical personal needs for residents.
4. How frequently does your school use the ferry system?
   1. In a typical year, on average, the school district uses the marine highway system for six roundtrips per month from August through May, commonly peaking in November and again in February, each averaging around a dozen trips.
   2. Departing Thursday or Friday, returning Sunday would work best to accommodate ASAA schedules. That would fit Cordova’s main winter festival as well.
5. Is it movement of people, vehicles, or freight that is most important to your community? Can your essential needs for freight transport be met without transporting vehicles?
   1. It is difficult to answer whether the movement of people, vehicles, or freight are “most important” to Cordova. For personal uses, a vehicle is necessary as shuttle service from most PWS ports is basically non-existent, and car rentals are limited and costly.
   2. Cordova’s shelves are largely filled by box truck, which is freight that requires both a person and vehicle to move from Anchorage through the Whittier tunnel. In most instances, without a vehicle Cordovans cannot reach their destinations, which lie hundreds of miles beyond the ferry terminal and often involve a toll tunnel (where walking and biking are not permitted).
   3. Other avenues of transporting freight exist but are much more costly and mostly bypass Alaska vendors, sending that money out of state.
6. Could a combination of alternating passenger and vehicle service address your requirements?
   1. A combination of alternating passenger and vehicle service would not address Cordova’s needs. People need their vehicles with them to get to their destination, whether it is to move goods, people, or services.

There is inherent value of the Alaska Marine Highway to serve Alaskan residents, businesses, and visitors:

* The AMHS is an INVESTMENT in Alaska. In 2014, the State of Alaska general fund contribution of $117MM to the AMHS resulted in a total return on investment of $273MM. This is a return of more than 2 to 1 to the Alaska economy.
* The AMHS system benefits from business traffic from coastal communities like Cordova. Businesses in coastal communities use the AMHS to spend millions annually in Anchorage and with vendors statewide. Their alternative is to buy from Seattle and ship via Seattle barges. Not only does this expense burden small businesses, but it cuts economic output to Anchorage and other statewide vendors. For example, a local Cordovan restaurant & hotel owner estimates a savings of $50,000-100,000 annually when running freight trucks directly to Anchorage via Whittier from Cordova. This business alone spends hundreds of thousands of dollars with Anchorage and in-state vendors each year. Copper River Seafoods, an Anchorage-based seafood processor that relies heavily on PWS fish, has spent as much as $1.4 million in fares in a single year when schedules were reliably consistent.
* Six out of the top twelve ports in the U.S. by dollar value of seafood landings rely on AMHS to connect them to the surface road system. Seafood processing plants play a critical role in Alaska’s economy and depend heavily on AMHS for transport of work crews, construction materials, and products. It is critical to maintain cost-efficient transportation for the companies and peoples investing in these seafood ports.
* AMHS plays an integral role in Alaska’s visitor industry, carrying over 100,000 non-resident passengers annually and bringing in outside dollars to the state. Among those who entered and/or exited Alaska via AMHS, the average per-person spending was $1,700. Applying this average to the roughly 17,000 ferry passengers who enter/exit Alaska via the ferry yields a total annual AMHS visitor spending estimate of $29 million. Now is not the time to impose additional travel barriers on those wishing to support Alaska tourism businesses.
* AMHS users hail from across the state, not only port communities. Anchorage was the #2 source of AMHS trips booked; Palmer/Wasilla was #4 and Fairbanks was #7. Please be aware of the impact AMHS budget decisions will have on all Alaskan residents.
* Cordova recognizes the fact that the AMHS does need reform; however, much of the work has already been done! For two years, the AMHS Reform Initiative committee has worked diligently, dedicating countless hours to a comprehensive study completed by the McDowell Group and Elliot Bay Design Group. This honest approach to reform must be recognized and utilized as we work together to improve and fund the AMHS statewide.
* Cordova supports the policy recommendations clearly laid out in Mayor Koplin's white paper.
  + Design vessels and support infrastructure specifically for the region they will serve
  + Place the vessel and infrastructure in that region and keep it there
  + Develop operating decisions (operations and maintenance) from the ground up
  + Chart and Maintain a Strategic Course (governance and finance) for the System
  + Provide reliable, consistent service
  + Prioritize customer service and convenience, not system convenience
  + Maximize the federal capital funding for the system.

While we appreciate the work the AMH Reshaping Group is doing, reliability and consistency is also extremely important. All parties must realize the impact it would make on our already fragile economy and state infrastructure to decimate or remove one of our primary modes of transportation within the State.