

Short Sea Ferry Service

Overview

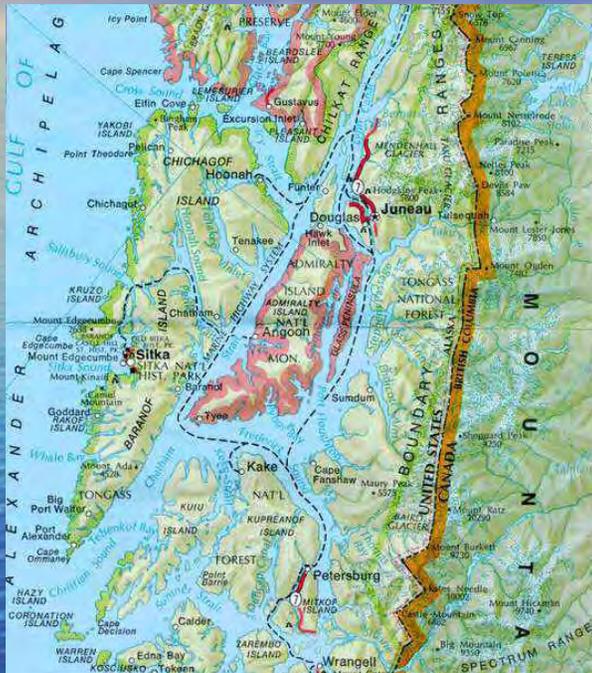


- Pilot Project Scope
- Pilot Project Vessel
- Importance of Pilot Project Service
- Long-term Project Scope
- Long-term Project Vessels
- Impact to Sitka
- Impact to Southeast Alaska
- Economic Impact of Operating Fast Ferry Service
- Capital Investment Considerations



Short Sea Ferry Service

Pilot Project Scope



- Communities served: Kake, Angoon, Sitka, Tenakee Springs, Hoonah, Pelican & Juneau
- 1-year pilot program
- Ability to test service with existing equipment
- Ability to show viability of proposed service
- Return the direct link to and from the villages and Sitka



Short Sea Ferry Service

Pilot Project Vessel



- St. Aquilina
- 88' Catamaran
- 150-passengers
- Up to 10,000 pounds of freight
- Service speed of 25 knots
- Built in 2004 by Allen Marine, Inc. Sitka, AK



Short Sea Ferry Service

Importance of Pilot Project Service



- Demonstrate the ability to improve service to communities in Northern Southeast Alaska.
- Ability to bring service online in a short period of time
- Provide a model for further service throughout Southeast Alaska



Short Sea Ferry Service

Long-term Project Scope

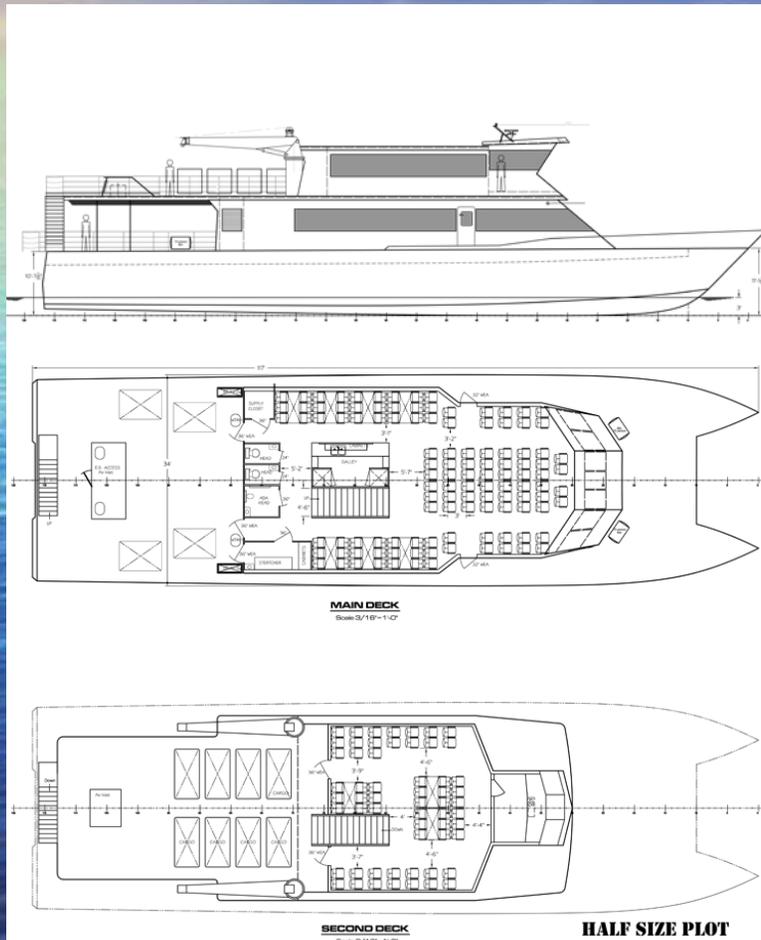


- Frequent service during daytime hours
- Provide a hub and spoke style ferry service
- Would expand ferry service to include some communities without current service: Gustavus, Elfin Cove, Baranof Warm Springs, Port Alexander & Hyder
- Vessels designed for reliable service
- Ease of moving passengers and freight between communities and beyond.



Short Sea Ferry Service

Long-term Project Vessels



- 117' Catamaran
- 150-passengers
- Between 50,000 and 60,000 pounds of freight
- Service speed of 25 knots
- Built by Allen Marine, Inc. Sitka, AK

Short Sea Ferry Service

Impact to Sitka



- Up to 80 jobs in the Sitka shipyard during construction
- Annual payroll near \$4 million during term of construction
- Pre-construction training and on the job training of boat construction skills
- Train shipyard employees to be vessel crew members and maintenance staff when ferry construction is completed
- Ability to hire from communities through out Southeast Alaska and provide training
- Affects all aspects of Sitka's economy



Short Sea Ferry Service

Impact to Southeast Alaska



- Mobility of goods, and services
- Improve ability of people to move for shopping, entertainment, sports, school functions, business, etc
- Regular service to communities with little or no current ferry service
- Increases business potential with increased goods movement
- Affects all aspects of Southeast Alaska's economy



Short Sea Ferry Service

Economic Impact of Operating Fast Ferry Service

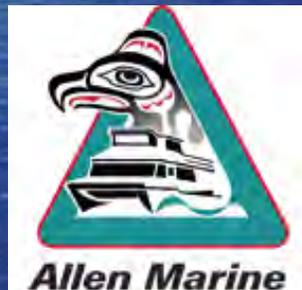


- Creates professional & skilled jobs for Southeast Alaska residents
- Annual payroll of approximately \$600,000 per vessel operated
- Equipment design for operational efficiency
- Year-round jobs for crew and shore-support
- Local purchasing of goods and services for ferry operation



Short Sea Ferry Service

Capital Investment Considerations



- Smaller efficient vessels
- Increased flexibility of scheduling
- Fast vessels to allow operation during daytime hours and with more communities served
- Lower initial capital investments
- Lower operating costs
- Availability of proven vessel designed for Southeast Alaska waters
- Much of the money generated would stay within Alaska
- Ability to buy Alaska

