



# Alaska Department of Transportation & Public Facilities

## Draft Reshaping the AMHS Report Overview

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Our mission is to *Keep Alaska Moving* through service and infrastructure.



# Purpose and Need

The objective of this study is to identify potential reductions in the state's financial obligation and/or liability as they relate to AMHS. Achieving that goal will require increases in revenues, reductions in cost, or a combination of the two.

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# 11 Options Evaluated

## **Option 1**

Sell or Give all Vessels and Terminals to a Private Entity

## **Option 2**

AMHS Retains Selected Terminals and Vessels to Provide Service for Specific Defined Purposes

*Option 2A – NHS Ports*

*Option 2B – Roadless Communities*



# 11 Options Evaluated

## **Option 3**

Transfer AMHS Assets to One or More Public Corporations or Port Authorities

*Option 3A – Single Corporation*

*Option 3B – Multiple Corporations*

## **Option 4**

Lease Vessels and Terminals to a Private Entity



# 11 Options Evaluated

## Option 5

Lease Vessels but not Terminals to a Private Entity

## Option 6

The Legislature Directs AMHS to Drop or Reduce Service to High-Cost, Low-Volume Ports

**Note:** The legislature sets policy in two ways: it passes laws/statutes and it passes a budget. The amount of funding the legislature provides determines what an agency can do. Also, the legislature can indicate how a specific appropriation is used by including intent language in the budget.



# 11 Options Evaluated

## **Option 7**

Contracted Vessel Service Routes

## **Option 8**

Privatize Onboard Passenger Services

## **Option 9**

Fare Increases



# 11 Options Evaluated

## **Option 10**

Renegotiation of Marine Union Contracts

## **Option 11**

Potential Route Changes Taking Advantage of Existing or Future Land-based Infrastructure



# Appendices

## **Appendix A:**

### **AMHS Volume and Revenue for each Route Group**

Summarize the existing conditions within each route group and provides the ticketing, sailing data and revenue sources.



# Appendices

## **Appendix B:**

### **Profiles of Communities Currently Served by AMHS Including Community Leader Perspectives**

Provides basic demographic information, ticket revenue and volume data for AMHS communities and Community Leader Perspectives.



# Appendices

## **Appendix C:**

### **AMHS Regression Models**

Summarize the regression models which serve as a basis for the revenue models. Regression models are a statistical method of analyzing data that are used for predictions and forecasting in a variety of industries.

# Conclusions/Recommendations

- Increase prices
- Change service levels
- Operate vessels at 12 or 14 hours
- Eliminate ports of call
- Long-term contracts to private operators for difficult to serve communities
- Additional infrastructure to reduce operational cost and leverage federal funding

# Conclusions/Recommendations

- Reduce Cross-Gulf and Mainline costs
- Reduce Southwest community sailings
- Reduce food and lodging costs of crew outside of homeport
- Privatize night crews
- Modify union agreements
- Create a long-term visions and strategy for AMHS
- Empowered board



# Next Steps

- Administrative Review
- MTAB Review and Comments/Recommendations
- Legislature Review and Action
- AMHS Reshaping Work Group

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