



Alaska Department of Transportation & Public Facilities AMHS Overview

House Transportation Committee

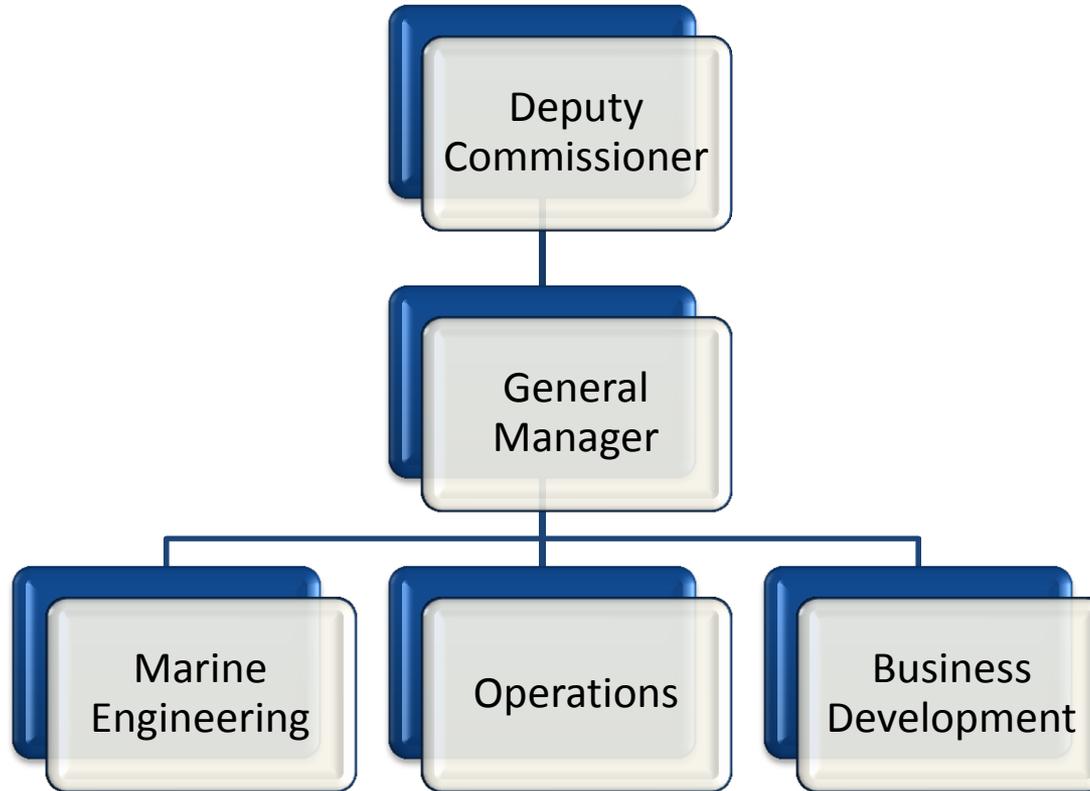
February 4, 2014



Topics

- **System Background Data**
- **Fiscal Year 2014 Look Forward**
- **Fiscal Year 2015 Governor's Requested Budget**

Organization/Leadership



1,030 Personnel

- Vessel Operations - 852
- Shore-side Facilities (Terminals) - 87
- Marine Engineering - 24
- Reservations & Marketing - 23
- Administration - 44

Fleet Composition

Mainliners

MV Malaspina - 1963

MV Taku - 1963

MV Matanuska - 1963

MV Tustumena - 1964

MV Columbia - 1974

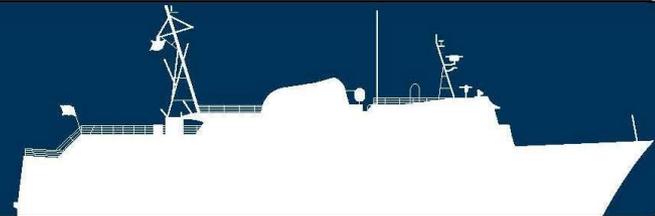
MV Kennicott - 1998



Aurora Class

MV LeConte - 1974

MV Aurora - 1977



Shuttle Ferries

FVF Fairweather - 2004

MV Lituya - 2004

FVF Chenega - 2005





Terminal Composition

- 35 ports of call ranging from Bellingham as the southern terminus, Valdez as the northern terminus, and Dutch Harbor as the western terminus.
 - 17 in Southeast Alaska, Canada, and Washington and 18 in Southcentral and Southwest Alaska
- Of the 35 ports of call:
 - 17 State owned facilities (12 manned / 5 unmanned)
 - 4 leased facilities (Bellingham, Prince Rupert, Seldovia and Kodiak)
 - 14 privately owned operating under a terminal use agreement
- Life extending capital projects managed by Southeast Region of DOT&PF
- Annual maintenance managed by AMHS

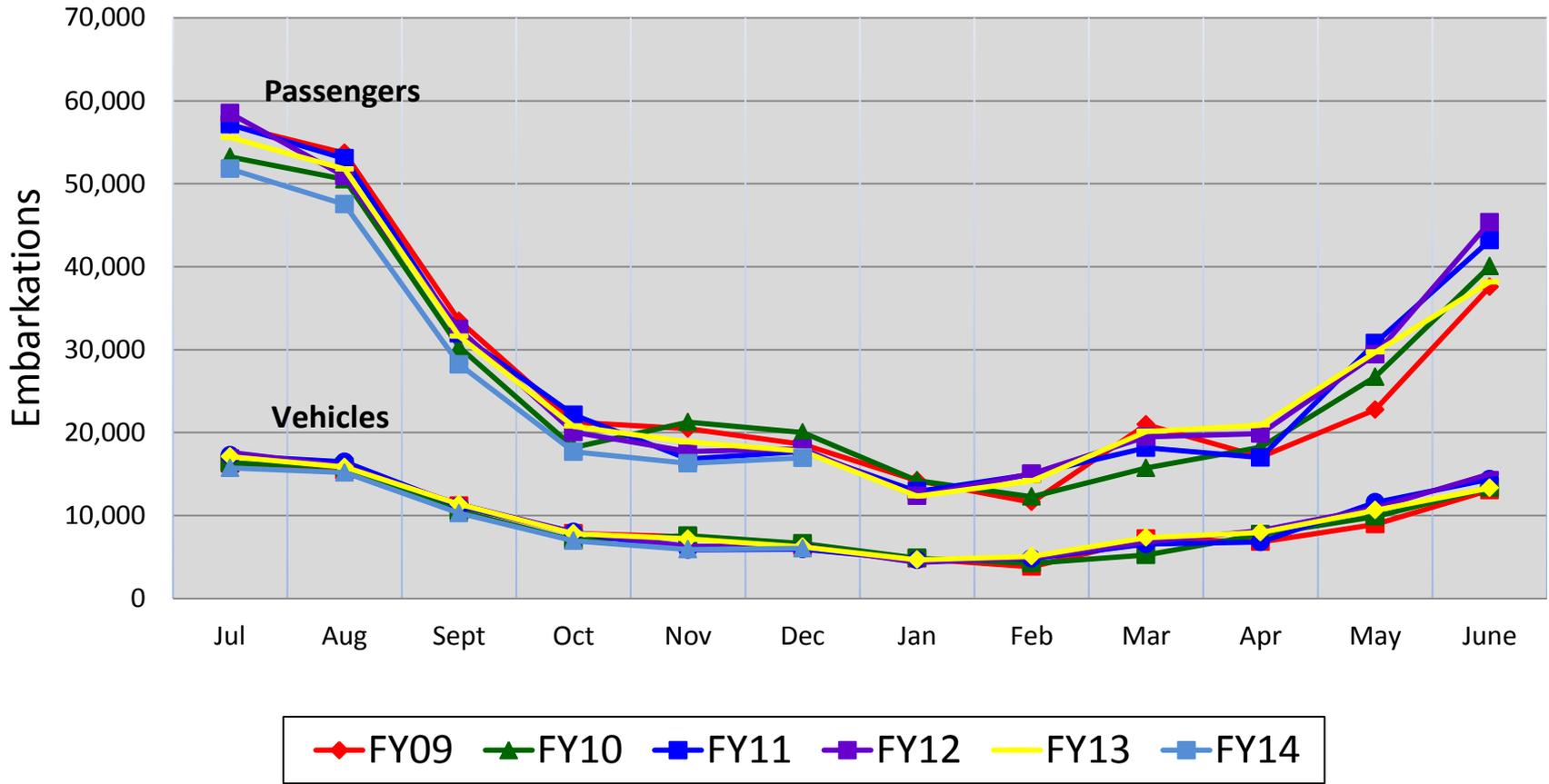
Route Summary



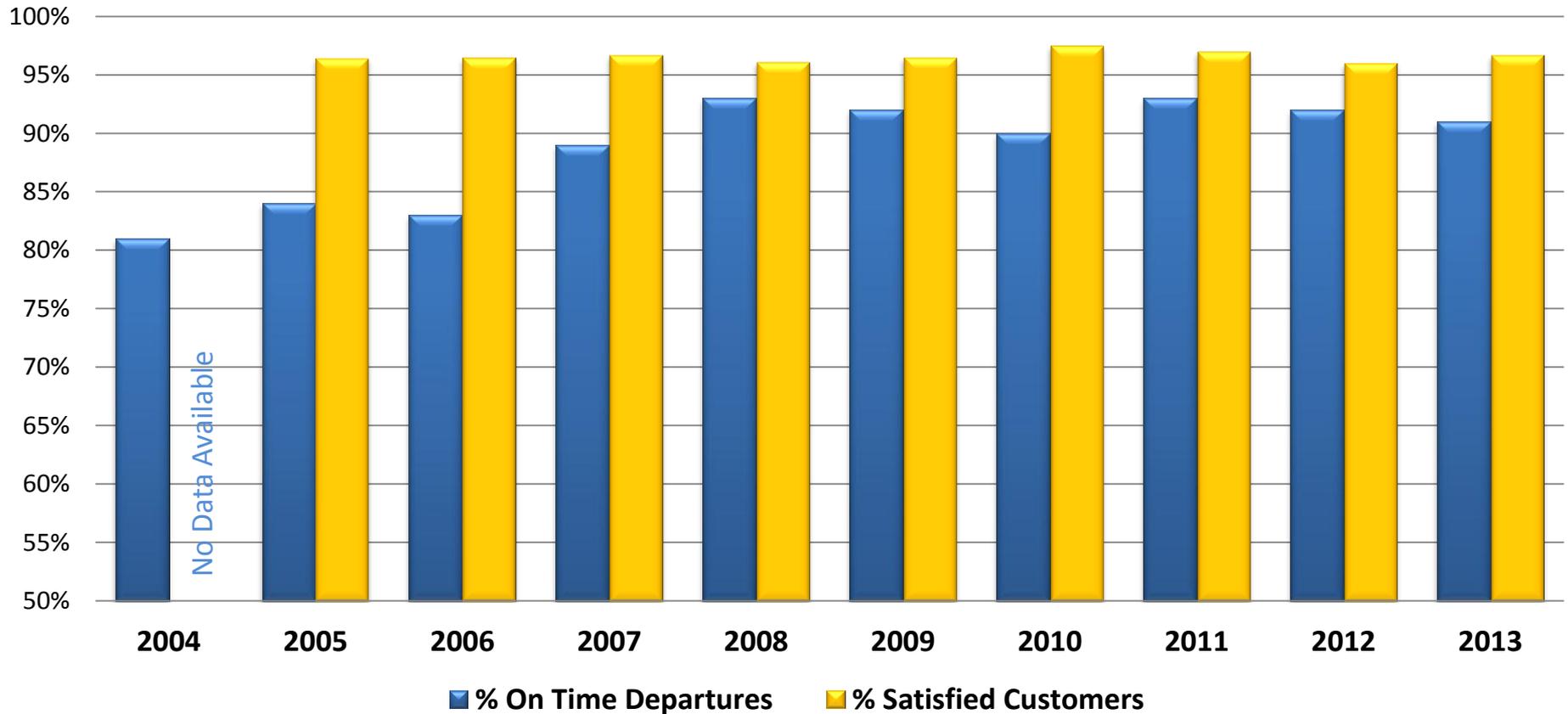
Alaska Marine Highway	
Service Route:	3,500 miles
Passengers:	340,000
Vehicles:	115,000
BC Ferries	
Service Route:	755 miles
Passengers:	13,000,000
Vehicles:	8,000,000
Washington State Ferry	
Service Route:	200 Miles
Passengers:	12,000,000
Vehicles:	10,000,000

Monthly Traffic Activity

AMHS
 FY09 – FY14 YTD
 Monthly Embarkations
 As of December 31, 2013



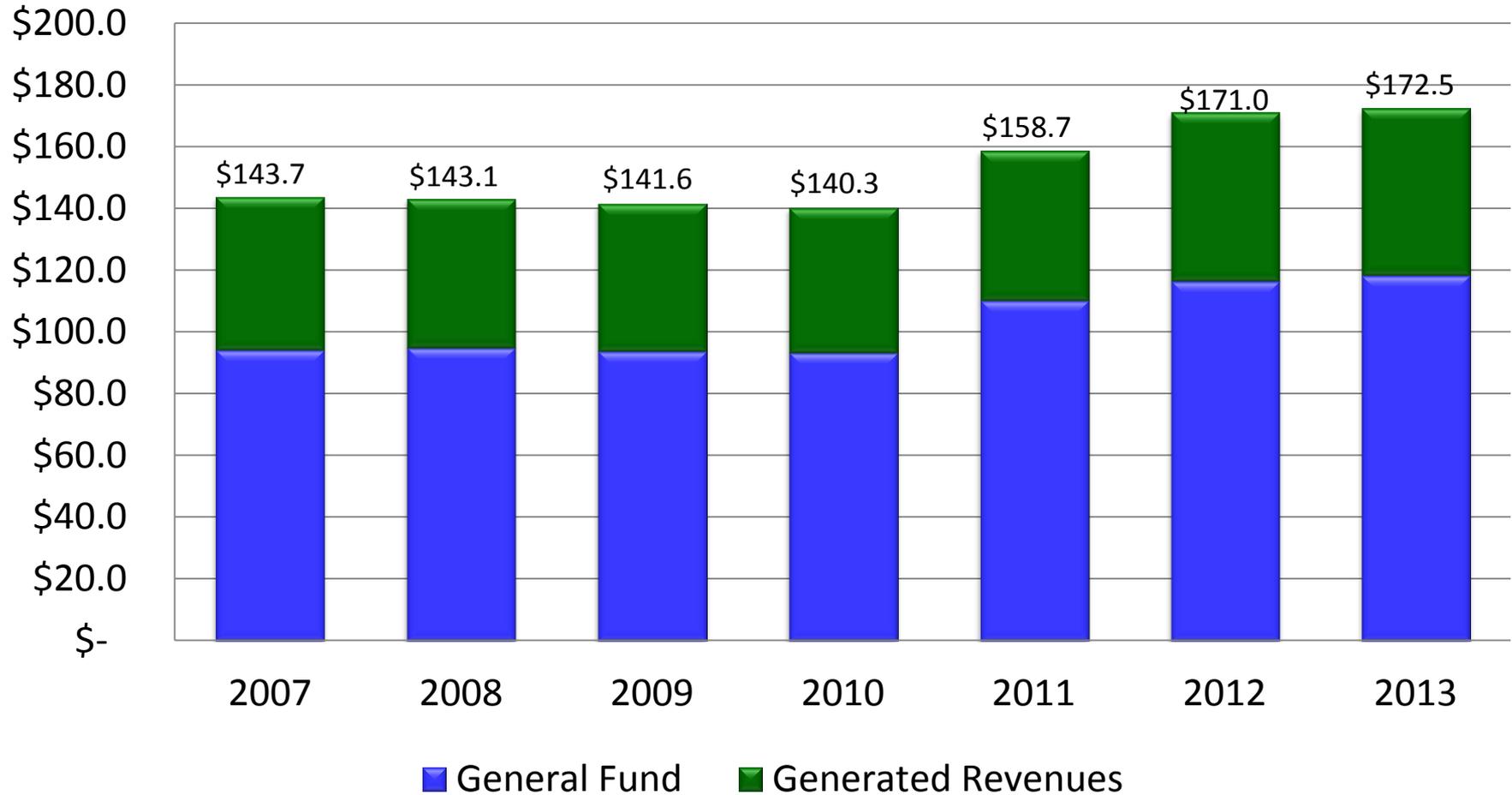
On-Time Departures/Customer Satisfaction



* Online Automatic Reservations System (OARS) usage has increased from 14.5% - 40.0% for the period 2004 through 2013.

Operating Expenditure Analysis* FY07 – FY13

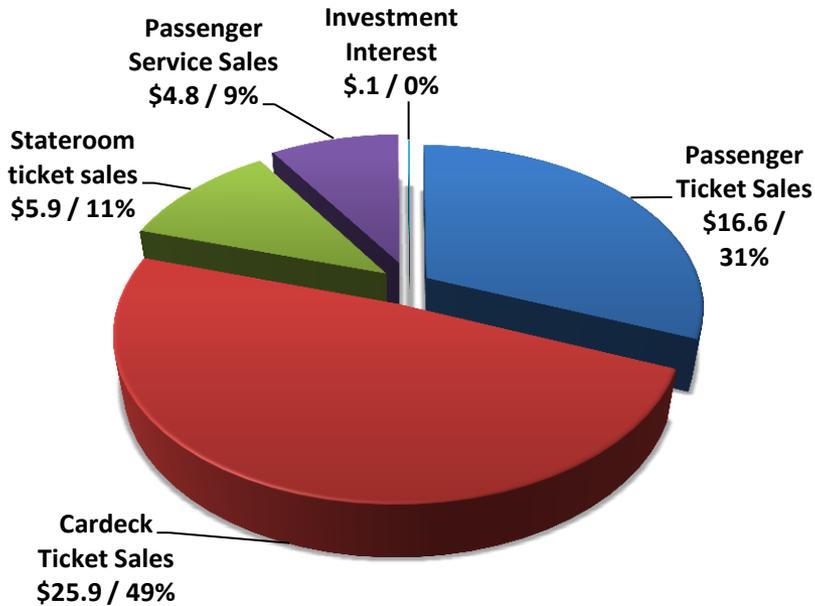
Millions



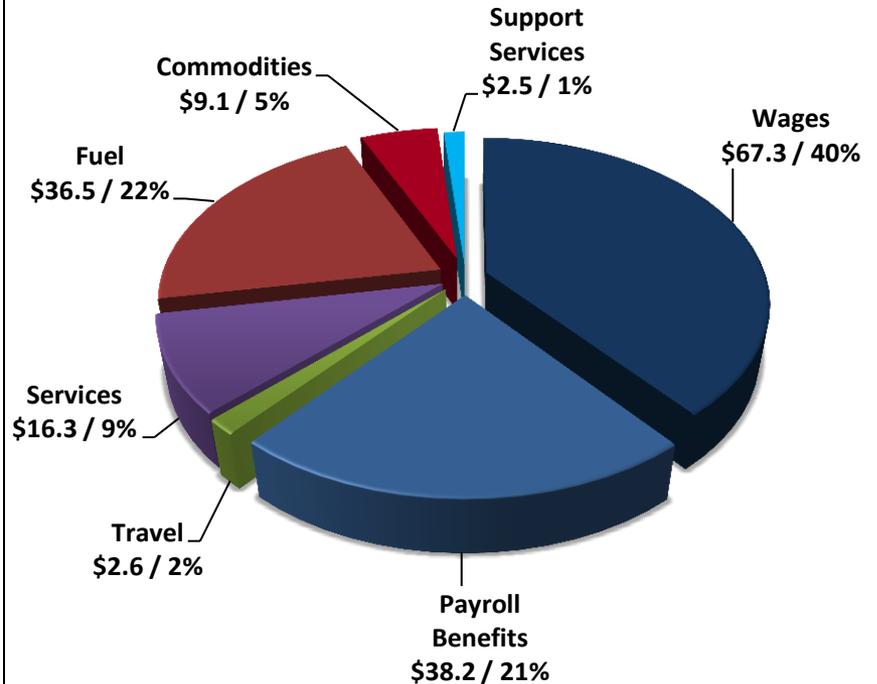
*Does not include \$12 - \$15 M in annual overhaul and deferred maintenance funded through the GF Capital Budget.

FY13 Revenues & Costs

**AMHS
FY2013 Revenue Sources (\$53.2)
(in Millions)**



**AMHS
FY2013 Annual Operating Costs (\$172.5)
(in Millions)**





FY14 Look Forward

- **Current Status:**

- Managing to the budget

- Traffic numbers have softened – currently 9% below FY13

- Minimal mechanical casualties – some weather cancellations

- Reservations System – RFP on the street

- FY14 General Fund appropriation savings strategy update

- Service Reductions
 - Revenue Enhancements
 - Administrative Cost Reductions



Service Reductions

- Lituya –
 - Operates 5 days per week. In FY14 operations were reduced from 12 hours/day to 9 hours/day. Estimated GF savings = \$200,000
- Fairweather –
 - 2014 service will begin mid-May rather than late February. Estimated GF savings = \$800,000
- Taku –
 - In previous years Prince Rupert – Juneau service began on June 1st, but will not begin this year until July 1st. Estimated GF savings = \$1,000,000
- Outsource Service –
 - This funding provided “out-sourced service” when vessel overhauls/capital projects created gaps in service. This funding will no longer be used. Estimated GF savings = \$200,000



Revenue Enhancements

- **Travel Agent Commissions –**
 - Commencing with the Summer 2014 schedule (May 2014), commissions will no longer be paid for Alaska residents on in-state travel, or for authorized military travel. Estimated offset to GF in FY14 is \$100,000 (estimated future offset to GF is \$448,000 annually).
- **Discontinued Seasonal Discount Programs –**
 - Winter “30% Roundtrip Discount” (November-March travel). Estimated offset to GF in FY14 is \$650,000.
 - Summer “Driver Goes Free” (May-September travel). Estimated offset to GF in FY14 is \$450,000.
- **Tariff Study –**
 - AMHS is conducting a 3rd party tariff review with the intent to produce a more equitable tariff structure. The study is to be completed by April 2014 for Department review and potential public process.

FY15 Governor's Requested Budget

- Operating Budget: \$165.0M (fuel at base price) provides for 399 weeks of service with 7,280 ports of call (Equivalent to FY14 service level) maintaining:
 - Twice monthly Bellingham-Whittier summer runs
 - Twice monthly summer chain runs
- Capital Budget includes
 - FVF Chenega Propulsion Replacement
 - Vessel Overhauls required to maintain US Coast Guard Certificates of Inspection (COI's)
 - Terminal and Vessel Life extending projects (LeConte)
- Anticipated Revenue is \$55.8M with GF appropriation of \$109.2M

Questions?



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