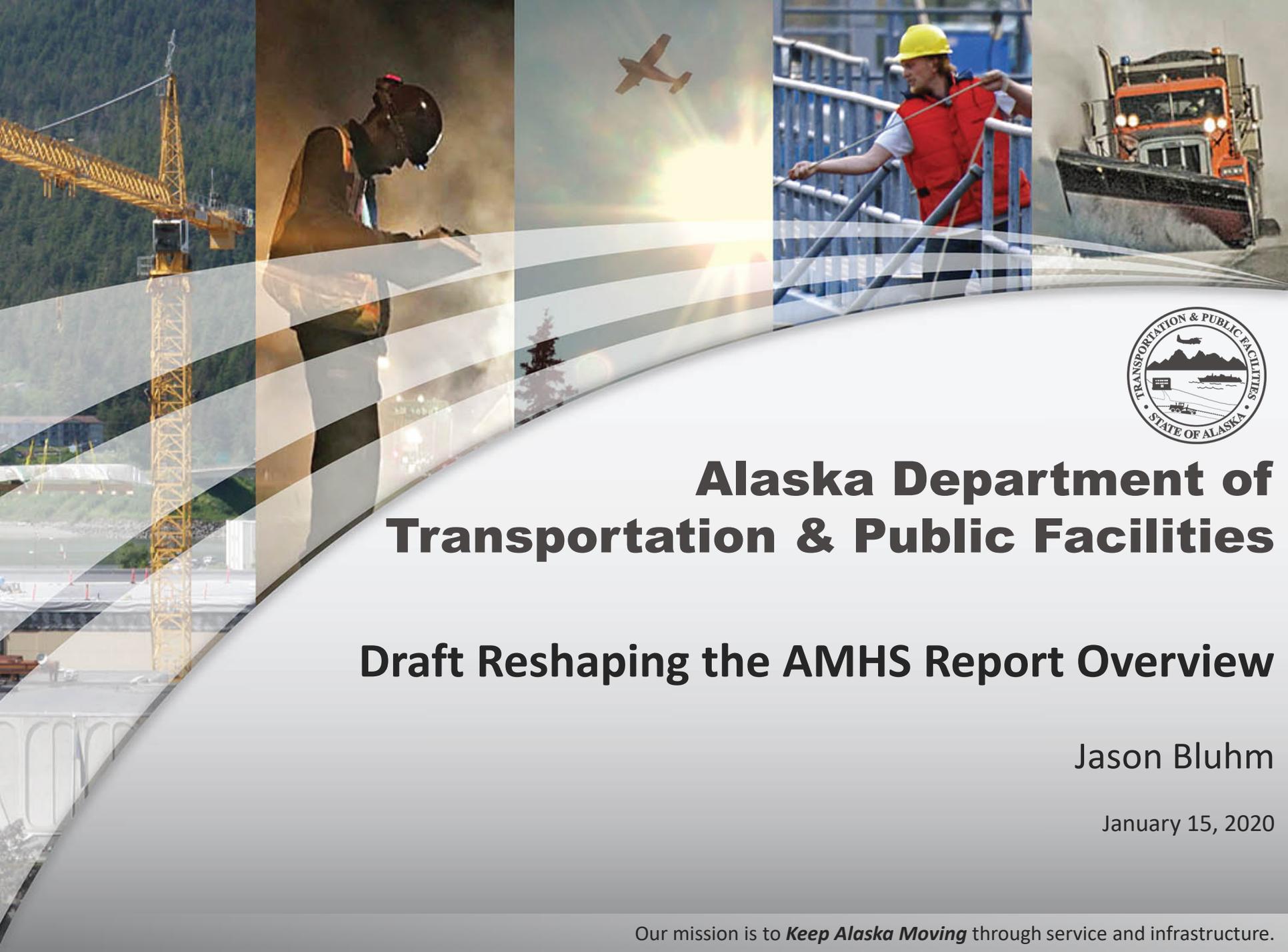


Marine Transportation Advisory Board Meeting  
Wednesday, January 15, 2020 9:30 AM – 4:00 PM  
Ted Stevens Anchorage International Airport  
McKinley Conference Room., 3<sup>rd</sup> floor, North Terminal  
4600 Postmark Drive, Anchorage, AK  
Teleconference # 1-800-315-6338, code 39051

Board Members: Robert Venables (Chair), Shannon Adamson, Pat Branson, Garry White, Jeremy Miller, Patti Mackey, Kerin Kramer, Frank Murkowski, Norm Carson, Carlin Enlow, Ernie Weiss

## Agenda

1. Board Roll Call to Establish Quorum
    - a) Welcome and Introduction of other participants
  2. Approval of Agenda
  3. Approval of Minutes – July 16, 2019
  4. Public Comments (3 minutes per speaker)
  5. Chair's Report
  6. Reshaping Study – Jason Bluhm
  7. AMHS Reform initiative – Robert Venables
  8. Vessel layups, ready status, deployment, replacement – Mary Siroky, Captain John Falvey
- \*MTAB will take a short lunch break around noon
9. Prince Rupert facilities and service - Captain John Falvey
  10. Budget update (FY20 status, FY 21 proposed) – Mary Siroky
  11. AMHS Updates – Captain John Falvey, Matt McLaren, Mary Siroky
    - a. Fleet & Terminal Report (Tustumena replacement timeline)
    - b. Summer 2020 and fall schedule timelines
    - c. Hubbard service schedule
    - d. Dynamic pricing policy
    - e. Shoreside Condition Survey report
  12. Board Comments
  13. Next Meeting – TBD
  14. Adjourn – *approx. 4 pm or when business is concluded*



# Alaska Department of Transportation & Public Facilities

## Draft Reshaping the AMHS Report Overview

Jason Bluhm

January 15, 2020

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.

# FY20 Budget

	Fiscal Year	UGF	DGF	Other	Total
Management Plan	FY18*	\$42.0M	\$96.6M	\$1.9M	<b>\$140.5M</b>
	FY19	\$86.0M	\$52.0M	\$1.9M	<b>\$139.9M</b>
	FY20	\$46.0M	\$48.4M	\$2.0M	<b>\$ 96.4M</b>
	Proposed FY21	\$49.9M	\$49.9M	\$0.9M	<b>\$100.7M</b>

Note: FY18 Revenue was \$48.3M



# 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

## Questions from MTAB

1. On July 16, 2019, MTAB received expert opinion and recommended that AMHS “reinstate the practice of collecting country of origin and U.S. zip codes at the time of purchase” for all tickets. Please explain how AMHS will respond.

AMHS is requiring a zip code for all online bookings, which is over 50% of all bookings. AMHS is also making every effort to collect zip codes on all other bookings also; however, if a customer does not want to provide their zip code due to privacy concerns, AMHS is not requiring it. The zip codes collected are not 100% accurate as to the residence of all travelers. The only zip code collected is of the booking holder. In many cases the booking holder is an Alaska travel agency booking travel for foreign customers, or customers residing outside Alaska.
2. Another recommendation was to begin the process to investigate private sector opportunities (explore RFP for reopening bars). Explain barriers to exploring, or timeline to implement.

AMHS has been reduced 23 operational positions in the Ketchikan headquarters office. Given the very large loss of operational staff, creates a situation where operations staff is very challenged in just maintaining normal operations, as opposed to investigating new opportunities.
3. What is the average amount of federal CIP funds going into AMHS annually over the past 5-10 years?

2009 to 2019 \$277.9M federal funds were spent on AMHS and \$161.6M GF funds were spent on annual overhauls.
4. The repairs on the Malaspina and Aurora have expensive cost estimates. How much of those costs can be covered by federal funds (what is minimum amount of AK GF needed, if any)?

None of these costs can be covered by federal funds. A federal project could be set up in the future. As soon as AMHS found out last year that the CG was going to require us to repair wasted/corroded/damaged steel at the end of the 2019 operational season, we generated a phase 2 design project, Fed Aid Funded. We could do the same for the Aurora.
5. If the request to the Coast Guard for an extension of the COI takes little effort and cost, why not ask for an extension as it will preserve options for the policy makers and perhaps enhance the sale or disposal value of the ferries. What does a request for COI extension actually cost?

After having extensive discussing with the USCG in Juneau AMHS management was told that COI extensions are not possible during extended layups. For vessels in a long term layup to be absolutely sure that the vessel stays within its current inspection requirements, namely grandfathered inspection regulations, the vessel would need to

go thru an annual dry-docking, COI inspection, and clear all existing USCG 835 issues thus maintaining its current COI. To accomplish annual inspections and COI's on non-operating ships would incur cost the system is not budgeted for. AMHS management could request in writing to the USCG that grandfathered inspection regulations be followed should the vessel come out of layup, although management was told by the USCG that during the layup period, should the inspections regulations change, then those new regulations would need to be followed.

6. Does the shoreside condition survey identify all modifications needed at all terminals in Southeast and Prince William Sound to accommodate the Alaska Class Ferries? Is that survey available to MTAB?

The Shoreside Condition Survey report provided each year by DOT&PF lays out the facility description, physical condition of each marine terminal facility, various observations, photo structural layouts, and an inspection summary, along with any current terminal improvements underway. Any modifications that may be needed to accommodate the new Alaska Class Ferries is not included in this annual report. MTAB can be provided a copy of the annual report.

7. DOT commented recently, that “Ferry ridership has declined from about 350,000 passengers in 1998 to 251,000 passengers in 2018.

This is correct for passenger traffic numbers. Vehicle traffic has remained consistent during this time at close to 100,000. AMHS operating weeks have declined 38% from its peak while ridership has only declined 29%. The total annual passenger counts have declined in direct correlation to the reduction in operating weeks as a result of budget reductions. The passenger traffic per operating week has continually increased over the past several years. FY2019 also had the highest revenue per operating week ever for AMHS.

8. ACF Tier 3 engines were estimated to be less expensive to operate and maintain. What are the current findings after year 1?

We have not operated the ACF vessels long enough to evaluate machinery. Tier 3 machinery is an EPA regulation imposed on entire US industry.

9. The current change fee policy charges \$100 within 3 days of sailing.

- a. What is the average price of a walk-on ticket within Alaska?

The average passenger tariff within Alaska is \$167. If total itinerary (including vehicle) is lower than the within 3-day \$100 change fee, the customer has the option to choose the lower of the \$100, or the itinerary price.

- b. What is the policy for travelers effected by weather delays of connecting flights or medical emergencies?

This is evaluated on a case-by-case basis.

- c. What analysis/consultant report was used to set the \$100 fee?

This was based on a similar structure to what is used by Alaska Airlines. The further out a customer cancels, or changes, the lower the fee.

d. How much revenue has been raised through change fees?

The average annual revenue from change fees has been \$42,000.

10. What revenue has been collected in FY20 vs. expectations?

AMHS ferry traffic receipts to date (12-31-19) are \$22,984.6. The Legislature appropriated \$48,063.1 in the FY2020 budget for AMHS. The current projected amount of receipts for FY2020 is \$45,326.9. This lower revenue projection is primarily due to the loss of revenue from the IBU strike.

11. What was the revenue impact from the IBU strike?

AMHS lost \$3.3M in revenues due to the IBU strike.

12. How many positions have been eliminated at AMHS in FY20? Plans for FY21?

In October of 2019 (FY20), 60 positions were cut at AMHS. This included 47 permanent positions and 13 non-perm positions. An additional 14 seasonal positions had the time they worked reduced. Position cuts by component were as follows:

Marine Engineering: 7 permanent and 4 non-perms

Vessel Operations Management: 11 permanent and 1 non-perm

Reservations: 5 permanent

Marine Shore Operations (Terminals): 24 permanent, 8 non-perms, 14 seasonal time reductions

There are no plans for any further position cuts in FY21.

13. The labor agreement this winter has allowed expanded service by the Tazlina. Is there a possibility for similar agreements for other vessels (i.e. Columbia)?

AMHS management is evaluating the possibilities reducing crew sizes on other vessels while meeting COI requirements and being able to safely evacuate the vessel in an emergency.

14. What are the 3-year ridership numbers for passengers and vehicles (by month) for both PWS and the Chain?

Please see attached "SW Passenger and Vehicle Monthly Traffic" reports for 2016-2018. Note: 2019 is not compiled yet.

2016 Southwest Embarking and Disembarking Passengers

Embarking Passengers

Sum of PaxCount	Month	MonthName												Grand Total
	2016 01	2016 02	2016 03	2016 04	2016 05	2016 06	2016 07	2016 08	2016 09	2016 10	2016 11	2016 12		
DepCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan						69	44	51	46				210	
Chenega Bay	2		14	0	16	13	15	25	10				95	
Chignik						32	43	37	36				148	
Cold Bay						45	41	28	16				130	
Cordova	490	456	629	649	637	656	1,049	1,128	1,018	783	491	492	8,478	
Dutch Harbor						145	121	91	69				426	
False Pass						10	2	11	6				29	
Homer	342	686	444	478	825	1,487	1,366	1,506	1,215	866	630	519	10,364	
King Cove						102	95	106	83				386	
Kodiak	290	668	326	405	808	1,042	1,024	1,283	1,076	694	678	541	8,835	
Old Harbor						4		8					12	
Ouzinkie	66	107	52	49	3	28	41	47	56	79	112	176	816	
Port Lions	52	83	51	80	24	81	77	76	46	104	148	146	968	
Sand Point						83	41	69	70				263	
Seldovia	111	120	147	126	72	287	319	308	268	220	155	142	2,275	
Tattilek	1	6	0	6	69	3	3	10					98	
Valdez	99	336	231	213	407	1,285	1,722	1,570	775	249	117	8	7,012	
Whittier	461	469	584	663	1,346	1,767	2,201	2,372	1,184	546	430	456	12,479	
Grand Total	1,914	2,931	2,478	2,669	4,207	7,139	8,204	8,726	5,974	3,541	2,761	2,480	53,024	

Disembarking Passengers

Sum of PaxCount	Month	MonthName												Grand Total
	2016 01	2016 02	2016 03	2016 04	2016 05	2016 06	2016 07	2016 08	2016 09	2016 10	2016 11	2016 12		
ArrCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan						77	48	36	45				206	
Chenega Bay	9	8	1	9	25	14	15	24	14				119	
Chignik						90	12	22	9				133	
Cold Bay						53	51	48	19				171	
Cordova	474	476	660	741	1,052	802	896	961	829	687	538	464	8,580	
Dutch Harbor						211	136	158	82				587	
False Pass						8	11	4	7				30	
Homer	340	613	387	422	757	1,283	1,335	1,623	1,307	815	749	460	10,091	
King Cove						103	69	95	91				358	
Kodiak	360	620	348	423	827	1,037	1,156	1,260	966	744	568	539	8,848	
Old Harbor							3		9				12	
Ouzinkie	40	126	55	43	6	44	34	42	46	95	103	179	813	
Port Lions	36	92	54	85	27	81	77	62	52	140	145	158	1,009	
Sand Point						90	48	59	65				262	
Seldovia	85	213	176	161	159	355	241	302	289	169	158	188	2,496	
Tattilek	2	5	17	1	68		3	10					106	
Valdez	75	311	194	181	326	1,079	1,334	1,415	609	233	119	19	5,895	
Whittier	493	467	586	603	960	1,812	2,735	2,605	1,535	658	381	473	13,308	
Grand Total	1,914	2,931	2,478	2,669	4,207	7,139	8,204	8,726	5,974	3,541	2,761	2,480	53,024	

2016 Southwest Embarking and Disembarking Vehicles

Embarking Vehicles

Sum of VehCount	Month	MonthName												Grand Total
	2016 01	2016 02	2016 03	2016 04	2016 11	2016 12	2016 05	2016 06	2016 07	2016 08	2016 09	2016 10		
DepCity	January	February	March	April	November	December	May	June	July	August	September	October		
Akutan								6	2	1	2		11	
Chenega Bay	2		5	2			11	10	4	9	10		53	
Chignik								7	5	11	7		30	
Cold Bay								28	9	12	14		63	
Cordova	188	189	266	297	215	289	367	410	465	532	531	403	4,152	
Dutch Harbor								20	7	7	10		44	
False Pass								6	1	3	4		14	
Homer	205	244	267	314	392	301	472	789	664	656	566	503	5,373	
King Cove								35	18	22	15		90	
Kodiak	154	212	178	202	319	265	426	526	412	531	456	303	3,984	
Old Harbor								3		3			6	
Ouzinkie	15	25	11	14	23	36		7	7	8	17	16	179	
Port Lions	19	26	30	32	72	63	4	44	36	49	27	52	454	
Sand Point								28	12	12	9		61	
Seldovia	60	57	95	97	107	95	56	165	175	189	147	143	1,386	
Tattilek	2	0	1	1				15	1	4	2		26	
Valdez	25	43	51	73	31	4	188	468	529	495	291	91	2,289	
Whittier	186	198	330	419	229	249	701	794	866	972	567	317	5,828	
Grand Total	856	994	1,234	1,451	1,388	1,302	2,240	3,347	3,216	3,514	2,673	1,828	24,043	

Disembarking Vehicles

Sum of VehCount	Month	MonthName												Grand Total
	2016 01	2016 02	2016 03	2016 04	2016 05	2016 06	2016 07	2016 08	2016 09	2016 10	2016 11	2016 12		
ArrCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan							2	1					3	
Chenega Bay	4	2	2	5	14	8	10	10	9				64	
Chignik							31	3	2	5			41	
Cold Bay							27	21	13				82	
Cordova	190	197	300	402	555	396	414	499	407	344	252	253	4,209	
Dutch Harbor							14	10	10	12			46	
False Pass							9	2	7	4			22	
Homer	192	222	243	234	438	683	549	720	574	440	424	300	5,019	
King Cove							43	13	33	28			117	
Kodiak	184	204	228	269	455	540	538	485	430	373	283	229	4,218	
Old Harbor							4	3	7				14	
Ouzinkie	8	33	12	14	2	10	5	8	16	17	19	43	187	
Port Lions	17	33	27	34	19	47	37	42	30	65	73	71	495	
Sand Point							38	15	15	13			81	
Seldovia	52	72	91	109	122	238	150	158	150	122	114	117	1,495	
Tattilek	1	1	2	1	14	1	3	2					25	
Valdez	21	36	41	49	129	412	451	480	226	89	33	14	1,981	
Whittier	187	194	288	334	492	848	990	1,019	749	378	190	275	5,944	
Grand Total	856	994	1,234	1,451	2,240	3,347	3,216	3,514	2,673	1,828	1,388	1,302	24,043	

2017 Southwest Embarking and Disembarking Passengers

Embarking Passengers

Sum of PaxCount	Month	MonthName												Grand Total
	2017 01	2017 02	2017 03	2017 04	2017 05	2017 06	2017 07	2017 08	2017 09	2017 10	2017 11	2017 12		
DepCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan									6	55			61	
Chenega Bay			7	15	8	10	23	34	7			4	108	
Chignik								29	33				62	
Cold Bay								13	39				52	
Cordova	327	402	503	502	635	743	905	928	856	858	533	430	7,622	
Dutch Harbor								35	102				137	
False Pass								1	3				4	
Homer	475	343	186	337	471	564	606	953	1,102	864	562	439	6,902	
King Cove								69	120				189	
Kodiak	478	453	166	326	324	556	454	810	1,155	508	596	505	6,331	
Old Harbor									2				2	
Ouzinkie	140	126	69					70	76	84	149	117	831	
Port Lions	126	67	48	39			6	44	73	104	146	124	777	
Sand Point								13	80				93	
Seldovia	147	122	40	49	65	43	95	174	221	232	165	135	1,488	
Tatitlek		4		1	87	4	8	1	1				106	
Valdez	44	143	123	241	305	1,260	1,705	1,686	610	152	176	145	6,590	
Whittier	287	317	440	708	1,268	1,837	2,118	2,124	982	568	359	336	11,344	
Grand Total	2,024	1,977	1,582	2,218	3,163	5,017	5,920	6,990	5,517	3,370	2,686	2,235	42,699	

Disembarking Passengers

Sum of PaxCount	Month	MonthName												Grand Total
	2017 01	2017 02	2017 03	2017 04	2017 05	2017 06	2017 07	2017 08	2017 09	2017 10	2017 11	2017 12		
ArrCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan									6	40			46	
Chenega Bay	3	2		22	15	30	11	31	11				125	
Chignik								23	13				36	
Cold Bay								58	34				92	
Cordova	322	421	490	742	1,021	772	862	930	801	627	532	471	7,991	
Dutch Harbor								40	131				171	
False Pass									11				11	
Homer	475	415	113	300	366	537	430	960	1,311	701	671	420	6,699	
King Cove								23	107				130	
Kodiak	592	383	239	396	390	537	558	858	992	696	561	473	6,675	
Old Harbor									6				6	
Ouzinkie	115	117	68					41	75	100	120	165	801	
Port Lions	98	80	43	60			19	39	64	101	115	137	756	
Sand Point								13	77				90	
Seldovia	86	116	46	51	110	100	106	174	178	194	151	125	1,437	
Tatitlek		7	1		77	8	5	5					103	
Valdez	43	141	178	118	380	1,074	1,364	1,242	405	217	207	124	5,493	
Whittier	290	295	404	529	804	1,959	2,565	2,547	1,261	734	329	320	12,037	
Grand Total	2,024	1,977	1,582	2,218	3,163	5,017	5,920	6,990	5,517	3,370	2,686	2,235	42,699	

2017 Southwest Embarking and Disembarking Vehicles

Embarking Vehicles

Sum of VehCount	Month	MonthName												Grand Total
	2017 01	2017 02	2017 03	2017 04	2017 05	2017 06	2017 07	2017 08	2017 09	2017 10	2017 11	2017 12		
DepCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan														
Chenega Bay			1	9	5	3	8	13	8				47	
Chignik								7	9				16	
Cold Bay								18	31				49	
Cordova	153	161	258	255	342	485	447	474	507	401	233	196	3,912	
Dutch Harbor								9	9				18	
False Pass								4	2				6	
Homer	251	230	115	252	347	396	402	502	524	531	400	285	4,235	
King Cove								11	27				38	
Kodiak	204	187	66	230	209	378	260	337	484	298	288	222	3,163	
Old Harbor									3				3	
Ouzinkie	28	31	13						10	12	16	22	19	
Port Lions	52	32	15	22			11		18	32	62	65	51	
Sand Point								3	20				23	
Seldovia	87	84	31	39	56	55	92	113	137	145	101	72	1,012	
Tattilek					12	1	1	2	2				18	
Valdez	11	32	41	89	145	449	499	518	219	47	33	40	2,123	
Whittier	165	159	257	475	690	905	893	934	487	307	212	178	5,623	
Grand Total	951	916	797	1,371	1,806	2,672	2,613	2,973	2,513	1,807	1,354	1,063	20,836	

Disembarking Vehicles

Sum of VehCount	Month	MonthName												Grand Total
	2017 01	2017 02	2017 03	2017 04	2017 05	2017 06	2017 07	2017 08	2017 09	2017 10	2017 11	2017 12		
ArrCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan									1				1	
Chenega Bay	1			15	9	20	11	8	6				70	
Chignik								4	6				10	
Cold Bay								18	21				39	
Cordova	173	176	265	434	565	424	392	488	364	307	242	208	4,038	
Dutch Harbor								9	11				20	
False Pass								1	4				5	
Homer	238	224	79	222	227	369	283	434	589	443	396	247	3,751	
King Cove								10	42				52	
Kodiak	249	182	96	275	291	362	373	431	415	384	299	243	3,600	
Old Harbor									7				7	
Ouzinkie	30	33	14					16	16	22	19	30	180	
Port Lions	44	32	12	19			16	15	35	73	60	55	361	
Sand Point								12	21				33	
Seldovia	61	93	39	49	110	93	82	100	108	130	102	74	1,041	
Tattilek					14	4	2	4	1				25	
Valdez	8	22	52	53	155	442	485	447	186	51	49	38	1,988	
Whittier	147	154	240	304	435	958	969	975	681	397	187	168	5,615	
Grand Total	951	916	797	1,371	1,806	2,672	2,613	2,973	2,513	1,807	1,354	1,063	20,836	

2018 Southwest Embarking and Disembarking Passengers

Embarking Passengers

Sum of PaxCount	Month	MonthName												Grand Total
	2018 01	2018 02	2018 03	2018 04	2018 05	2018 06	2018 07	2018 08	2018 09	2018 10	2018 11	2018 12		
DepCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan					19	42	34	44	43				182	
Chenega Bay	9			9	8	13	22	61	17				139	
Chignik						13	31	51	74	18			187	
Cold Bay						33	6	9	38	41			127	
Cordova	364	411	466	439	793	662	899	1,053	1,002	804	473	175	7,541	
Dutch Harbor					78	112	94	121	102				507	
False Pass					1			46	3	30			80	
Homer	373	347		302	1,060	1,313	1,415	1,418	1,186	715	829	466	9,424	
King Cove					50	63	59	92	133				397	
Kodiak	357	366	55	120	637	1,035	911	1,095	1,077	545	558	501	7,257	
Old Harbor						3							3	
Ouzinkie	72	150			34	48	49	116	73	113	113	153	921	
Port Lions	63	77			33	57	55	59	81	71	114	173	783	
Sand Point					30	61	40	37	93				261	
Seldovia	114	121		42	126	194	315	312	256	207	311	148	2,146	
Tattilek	1			1	90	3	1	14	1				111	
Valdez	23	317	79	158	478	1,289	1,671	1,577	712	118	87	28	6,537	
Whittier	359	474	482	679	1,250	1,723	2,031	2,186	1,110	652	405	152	11,503	
Grand Total	1,735	2,263	1,082	1,750	4,736	6,652	7,702	8,300	5,975	3,225	2,890	1,796	48,106	

Disembarking Passengers

Sum of PaxCount	Month	MonthName												Grand Total
	2018 01	2018 02	2018 03	2018 04	2018 05	2018 06	2018 07	2018 08	2018 09	2018 10	2018 11	2018 12		
ArrCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan						31	87	68	58	83			327	
Chenega Bay	7	3	9	1	9	18	16	53	20				136	
Chignik						61	37	17	3	15			133	
Cold Bay						30	15	19	55	51			170	
Cordova	356	462	472	698	1,077	711	808	913	784	739	492	172	7,684	
Dutch Harbor						76	138	133	111	113			571	
False Pass					1	2	3	4	3				13	
Homer	365	304	57	145	728	1,140	1,184	1,432	1,270	659	799	477	8,560	
King Cove						86	46	48	57	107			344	
Kodiak	371	427	4	284	782	973	1,137	1,194	1,012	583	582	508	7,857	
Old Harbor						1		5		3			9	
Ouzinkie	56	140				25	63	46	82	81	124	106	866	
Port Lions	69	81				53	94	60	71	65	85	117	837	
Sand Point						70	52	36	34	94			286	
Seldovia	118	109		49	243	287	286	289	223	200	321	171	2,296	
Tattilek	2	1	1	2	86	1			3				96	
Valdez	27	319	132	99	350	1,071	1,414	1,366	581	131	106	15	5,611	
Whittier	364	417	407	472	1,027	1,917	2,422	2,575	1,470	704	367	168	12,310	
Grand Total	1,735	2,263	1,082	1,750	4,736	6,652	7,702	8,300	5,975	3,225	2,890	1,796	48,106	

2018 Southwest Embarking and Disembarking Vehicles

Embarking Vehicles

Sum of VehCount	Month	MonthName												Grand Total
	2018 01	2018 02	2018 03	2018 04	2018 05	2018 06	2018 07	2018 08	2018 09	2018 10	2018 11	2018 12		
DepCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan						1							1	
Cheneg Bay	3	2	1	9	1	5	11	21	10				63	
Chignik						3	5	24	4				36	
Cold Bay					19	8	10	20	27				84	
Cordova	155	165	233	273	440	397	397	422	505	377	174	96	3,634	
Dutch Harbor					8	5	3	26	8				50	
False Pass					3			1	5				9	
Homer	221	222		230	661	714	706	587	574	409	383	251	4,958	
King Cove					24	11	8	17	23				83	
Kodiak	193	158	54	101	336	485	434	484	423	283	258	210	3,419	
Old Harbor					3			1					4	
Ouzinkie	19	32			5	11	12	21	17	26	20	25	188	
Port Lions	29	35			10	34	27	31	38	37	61	74	376	
Sand Point					11	5	9	13	16				54	
Seldovia	66	86		40	98	143	180	175	146	133	108	91	1,266	
Tattilek				1	16			6					23	
Valdez	10	54	35	71	192	465	513	521	276	40	18	16	2,211	
Whittier	154	218	264	486	690	771	827	882	558	300	157	81	5,388	
Grand Total	850	972	587	1,211	2,517	3,058	3,142	3,252	2,630	1,605	1,179	844	21,847	

Disembarking Vehicles

Sum of VehCount	Month	MonthName												Grand Total
	2018 01	2018 02	2018 03	2018 04	2018 05	2018 06	2018 07	2018 08	2018 09	2018 10	2018 11	2018 12		
ArrCity	January	February	March	April	May	June	July	August	September	October	November	December		
Akutan						3		9					12	
Cheneg Bay	2	2	4	1	5	11	12	20	11				68	
Chignik					23	4	7	1	5				40	
Cold Bay					21	14	12	19	21				87	
Cordova	153	191	242	428	613	359	373	435	390	321	175	93	3,773	
Dutch Harbor					12	13	12	7	19				63	
False Pass					4	3	1	3	1				12	
Homer	220	200	55	124	420	590	551	658	570	402	364	272	4,426	
King Cove					30	9	16	18	33				106	
Kodiak	189	197	19	252	443	525	560	438	420	291	276	206	3,816	
Old Harbor					2		9		4				15	
Ouzinkie	16	26			7	18	11	24	20	29	18	30	199	
Port Lions	31	36			21	56	29	33	36	51	67	56	416	
Sand Point					38	21	9	20	20				108	
Seldovia	72	74		56	189	183	160	145	132	115	105	87	1,318	
Tattilek			1	1	17			3	2				24	
Valdez	6	58	46	46	139	413	487	483	258	56	20	9	2,021	
Whittier	161	188	220	303	533	836	893	936	688	340	154	91	5,343	
Grand Total	850	972	587	1,211	2,517	3,058	3,142	3,252	2,630	1,605	1,179	844	21,847	

## AMHS Vessel Status

1/15/20

### LeConte (1974)

Status: Began scheduled, state-financed overhaul, October 1, 2019, which this year includes a detailed (every 5 year) steel hull and machinery survey. The estimated and budgeted cost of the overhaul required to maintain the Coast Guard Certificate of Inspection (COI) is \$1.4M. The current estimate on steel replacement is an additional \$4M. Total costs are estimated at approximately \$5.4 M to complete, with a completion date of mid-May 2020.

Future plans: Operate the LeConte in Prince William Sound during summer 2020.

### Aurora (1977)

Status: Currently docked in Ketchikan in a long term layup. The vessel is configured in a side by side mooring arrangement with the Malaspina, so as to get the most use out of the available dock space. Estimating overhaul and steel replacement would exceed \$5.4 M, therefore AMHS elected to repair the LeConte rather than the Aurora. The AMHS does not have the additional state capitol funds to overhaul and repair both the LeConte and Aurora.

Future plans: Vessel is currently located at Ward Cove Ketchikan in a long term layup, with a contractor providing vessel security and oversight of the vessels condition and reporting to AMHS management weekly.

### Malaspina (1963)

Status: The Malaspina needed a minimum of 16 M dollars of steel work, along with overhaul costs, and still has its original engines, and given the current and future fleet make up, the decision to lay up the ship indefinitely was made.

Future plans: The ship is currently in a long term layup in Ward Cove Ketchikan. A contractor is providing security and oversight of the ship, and reporting the vessel condition to AMHS management weekly.

### Columbia (1974)

Status: Vessel went into a cost-savings layup October 3, 2019, at the State owned AMHS South Berth in Ketchikan. The ship is also being used as a hotel ship to house vessel crews during their winter overhauls. Housing aboard the ship saves the state funds by not paying for landside hotels for those crews. The vessel is currently in dry-dock at Vigor Shipyard Ketchikan while consultants check its controllable pitch propeller system, and attempt to trouble shoot an engine vibration issue. The vessel has also commenced its annual COI inspections and maintenance. This vessel has \$32M worth of 5 year old engines with no known steel replacement needs. This vessel is the most costly to operate requiring a crew of 62.

Future plans: Management plans to operate the Columbia during summer 2020 with a crew of 49, down from a summer manning of 62 crew. This is possible if the passenger services crew numbers are reduced by closing the snack bar and providing all food service out of the dining room, and by adjusting passenger services duties and reducing the passenger carrying capacity of the vessel.

### **Kennecott (1998)**

Status: Currently at Vigor shipyard undergoing its scheduled state-funded overhaul through April 15, 2020. No known significant major problems at this time.

Future plans: Serving cross gulf runs effective April 16, 2020, and continue to be a fleet in service vessel as operating funds allows.

### **Matanuska (1963)**

Status: In revenue service as of December 2, 2019 after a re-power and major conversion bringing the ship up to current SOLAS standards. The project also included many additional upgrades along with hull and exterior painting, and steel replacement. The project took place at Vigor Shipyard Portland Oregon and took approximately 2 years.

Future plans: Continue to be one of the fleet in revenue service vessels as operating funds allow.

### **Tustumena (1964)**

Status: In revenue service (Kodiak, Homer, Seldovia, Ouzinkie & Port Lions) through January 12, 2020. Scheduled for State-funded overhaul from January 15, 2020 to May 1, 2020. Management hopes for little discovery work, and an on time re- delivery.

Future plans: Continue to be one of the fleet in revenue service vessels as operating funds allow.

### **Lituya (2004)**

Status: currently in Vigor Shipyard Ketchikan for its annual overhaul January 10, 2020 through January 24, 2020. The vessel has no anticipated major maintenance concerns at this time.

Future plans: Re-enter revenue service January 25, 2020, after overhaul and continue to be one of the fleet in revenue service vessels as operating funds allow.

### **Tazlina (2019)**

Status: In revenue service (Juneau, Northern Panhandle and North Lynn Canal) as a day vessel from November 21, 2019, through January 21, 2020.

Future plans: Following the revenue service, the ship will proceed to Vigor shipyard Ketchikan to undergo its shipyard funded warranty work. The installation of its forward starboard side vehicle door should occur after March 1, 2020.

### **Hubbard (2019)**

Status: Installation of the vessels forward starboard side vehicle door has commenced at Vigor Shipyard Ketchikan. The side door installation is planned to be completed by March 1, 2020.

Future plans: The Hubbard currently is planned to resume revenue service in Juneau on March 5, 2020, providing service to the North Lynn Canal, and some Northern Panhandle communities.

### **Fairweather & Chenega (2004 & 2005)**

Status: Both vessels are in a long-term layup at Ward Cove in Ketchikan. Both vessel's security and oversight are being provided by a contractor, with reporting weekly to AMHS management. The Department is attempting to locate a Marine Broker in an attempt to sell both fast vehicle ferries. The Fast Ferries have now been positioned in a side by side layup configuration, so as to utilize the maximum amount of available dock space.

Future plans: Divestment of both vessels from the AMHS fleet.

#### **Miscellaneous actions/information to consider:**

- Working with IBU, MMP and MEBA unions regards what type of contracts, i.e., Southeast or Southwest, under which the LeConte will operate under in Prince William Sound. There are potential cost and crew availability issues and implications regarding which contracts we will operate the LeConte in Prince William Sound under. We are also considering reducing the LeConte crewing and food service available to the public in an effort to reduce vessel operating costs.
- The Columbia will be overhauled to maintain its COI and AMHS management will work towards operating the ship with a much smaller crew of 49 as opposed to a crew of 62. Hopefully this will be obtained by eliminating the snack bar service, and serving all food out of the dining room only, while also reducing its passenger capacity to match the number of crew on board needed to evacuate the ship.
- Hopefully no unexpected discovery work will come up during the Columbia, Tustemena and Kennicotts overhaul periods. Additional discovery work will increase the capitol budget costs.
- The status of the ships will help drive decisions on some of the recommendations that come out of the reshaping study.

# Vessels

## Passenger Services Upgrade Amenities Project

A federally funded fleet wide passenger services upgrade project is in the early stages of planning. Upgrades to public spaces will also include galleys. Work will be completed during vessel overhauls and CIP's. Vessels receiving upgrades first will be the LeConte, Kennicott, and Lituya, followed by a second project for the vessel Matanuska,

## Tustumena Replacement Vessel Project

The 100% PS&E (Plans Specifications and Estimates) package is complete.

The original Buy America Waiver Request is with the Federal Highway Administration in Washington D.C. AMHS has also submitted a new second Buy America Waiver request to FHWA. The AMHS has also recently reduced the waiver items to a total of 3 items at a value of approximately 3.0 million dollars.

A go forward decision regards construction will be considered after the Northern Economics study is released.

## Tustumena Replacement Vessel Characteristics

- Length Over All (LOA) | 330 Feet
- Depth | 24.5 Feet
- Breadth Over All (BOA) | 71 Feet
- Design Draft | 15' – 10" to 16' – 6" (End of Service Life)
- Air Draft | 90 Feet
- Cruise / Service Speed | 15 Knots
- Vans & Cars | 12 Vans & 27 Cars
- Cars Only | 54
- Vehicle Loading Ability | Stern & Side (Port & Starboard)  
| Vehicle Elevator
- Vehicle Lane Length | 1,180 Feet
- Passengers | 250 (Berths for 104)
- Officer & Crew | Minimum Manning IAW Regulatory Requirement

## **MTAB Meeting**

**January 15, 2020**

### **New Reservation System**

The new reservation system is now being used throughout the system. While implementation of the new system has not been without its challenges, the transition process has gone relatively smooth due to the hard work of terminal and vessel staff. The handheld scanners and kiosks are still being tested to ensure full functionality with kiosks being ready for use in selected manned terminals in the near future. The hand held scanners work well with cellular connectivity, although in ports without a cellular connection, an off line operation is still necessary. The goal of the new satellite system contract is to remedy the hand held scanner issues in some ports which have a lack of cellular connectivity, and the GCI satellite system contractor is currently working on the local connectivity issues.

### **Alaska Class Ferries**

The MV Tazlina is now operating as a day vessel until January 20, 2020 in Lynn Canal and some Northern Panhandle village ports.

The Hubbard is now at Ketchikan Shipyard with its vehicle side door being installed. The side door is expected to be installed by March 1, 2020.

After March 1, 2020 the Tazlina will go to Vigor Shipyard in Ketchikan to have its side vehicle door installed.

With side vehicle doors installed, the ACF vessels will be capable of quicker turn a round's, and have the ability to carry a larger variety of RV's and large commercial vans.

With its side door installed, the plan currently is to operate the Hubbard in North Lynn Canal and to some Northern Panhandle ports commencing on March 5, 2020.

### **MV Columbia**

Management plans to operate the Columbia during summer of 2020 with reduced passenger loads, reduced passenger services crew, and reduced food service, in an effort to stay within the vessels operating budget.

### **MV LeConte**

The MV LeConte is currently in Vigor Shipyard in Ketchikan undergoing its annual overhaul and replacing steel. Currently the overhaul and steel replacement will cost approximately 5.4 million. Management needed to compare the cost to overhaul and replace steel for both the LeConte and Aurora, and it was determined that the Aurora would be more costly to overhaul and replace steel, therefore the LeConte was selected to be overhauled. The AMHS did not have a sufficient state capitol budget to repair both vessels.

### **Vessel Layups**

## **MTAB Meeting**

**January 15, 2020**

Currently the vessels, Fairweather, Chenega, Malaspina and Aurora, are all laid up in Ward Cove, Ketchikan, under a mooring and security contract. The two fast ferries are moored side by side, and the Aurora and Malaspina are moored side by side, so as to utilize the available dock footage as much as possible. The vessels are being monitored on a daily basis, and the contractor is reporting the vessels condition weekly to management. The state continues to explore the sale of the two fast ferries.

### **U.S. Customs and Border Protection/ Prince Rupert Terminal**

The state has recently committed to U.S. Customs and Border Protection to explore the logistics and cost to upgrade the Prince Rupert Terminal from a pre- inspection facility to a full pre- clearance facility. The State has until approximately December 2021, to complete the terminal upgrade per the U.S. Customs and Boarder Protection requirements. During the two year timeframe should the state not show measurable progress towards the upgrade to a pre-Clearance facility, then U.S. Customs and Boarder Protection can stop clearing operations. Once the facility is upgraded to a pre-clearance facility, then U.S. Customs and Boarder Protection Agents will be allowed to carry weapons in Canada. Until that occurs, the state will need to fund RCMP officers to attend all port calls providing protection for the unarmed U.S. Customs Agents. The RCMP coverage will require a contract between the State and the City of Prince Rupert as the City does not have its own police force and the state cannot contract directly with the RCMP. The state is also in discussions with BC Ferries, exploring the possibility of using the BC Ferries vehicle and passenger loading facility, which is located adjacent to the AMHS terminal.

## **Terminals**

### **Prince Rupert Ferry Terminal Replacement**

The Prince Rupert ferry terminal dock replacement project remains in a stalemate over Buy America act compliance issues. In the meantime, AMHS is continuing to conduct minor repairs and maintenance in an effort to keep the facility functional and safe, with the dock also undergoing a yearly structural inspection by DOT&PF structural engineers. Currently SC Region Engineers are reviewing the requirements to satisfy the U.S. Customs pre-clearance requirements, which will impact the current uplands infrastructure and clearance operations. Management is also in discussing's with BC Ferries, regards the potential to use their loading ramp for vehicles and walk on passengers.

## **MTAB Meeting**

**January 15, 2020**

### **Skagway Ferry Float Replacement**

The project is ongoing to construct a new floating dock. Design has commenced. Completion is expected to be on August 9, 2021.

### **Ketchikan Terminal**

This is a two phase project consisting of the replacement of some of the of existing vessel berthing and mooring structures, placement of a new turning dolphin between berths 1 and 3, refurbishment of fenders and platform components at the berth #3 float, construction of a new pedestrian covered walkway structure over the existing sidewalk from the terminal building to the berth #3 approach, and the placement of cathodic protection anodes on existing pile supported structures at berths #1 and #3. The first phase of the project consisted of a dolphin upgrade, with covered catwalk from the terminal to berth #3, along with some utility work being completed. The Berth 3 side fender upgrades and remaining utility work on the Berth # 1 transfer bridge will be completed in August 11, 2021.

### **Ward Cove Layup and Working Berth Facility for AMHS**

Details need to be worked out between the State, and the EPA along with acquiring a required conservation easement, before any layup facility can be constructed.

### **Gustavus Terminal Improvements**

Construction is expected to take place commencing March 1, 2020 running thru July 1, 2020. The planned completion date is July 1, 2020. The terminal will be closed March 1, 2020 to May 31, 2020.

### **Tenakee Springs Dock Replacement**

Construction is expected to take place commencing on July 6, 2020, with completion on December 3, 2020. Terminal closure will be from July 7, 2020 to November 30, 2020.

### **Whittier Terminal Fender Upgrade**

Adjustments are being made at the Whittier terminal to the fender arrangement, so as to accommodate the docking of an ACF. Once the fender upgrades are made, with the LeConte operating in Prince William Sound, the dock will also be able to accommodate the LeConte. Upgrades will be complete on May 2020.

## **MTAB Meeting**

**January 15, 2020**

### **Waste Water Treatment System Replacement**

Preliminary design work and environmental scoping is ongoing for the replacement of in ground wastewater systems located at state owned terminals in Auke Bay, Sitka, Haines, and Skagway. The project is expected to be completed during July 27, 2020.

### **Underground Diesel Storage tank Removal**

Eight underground diesel storage tanks located at state owned terminals in Skagway, Juneau, Wrangell, Petersburg, Ketchikan, Cordova, Sitka, and Valdez are being removed and replaced by above ground storage tanks. The project is expected to be completed during July 27, 2020.

### **Auke Bay Terminal Improvements**

This project includes work to upgrade the existing marine structure to accommodate ACF vessels during winter high wind conditions. Also sanitary sewer and shore tie power upgrades will take place. The project is expected to be completed by June 2020.

### **Shore side Condition Survey**

The annual shore side marine terminal inspections for FY 2020 are underway, with the report to follow.

### **Summer 2020 Steward Hiring.**

AMHS management estimates that an additional 50 new vessel entry level passenger services positions will need to be hired for the summer 2020 season commencing on May 1, 2020. This hiring process has commenced.

# INTERNATIONAL ORGANIZATION OF MASTERS, MATES & PILOTS

PACIFIC MARITIME REGION / UNITED INLAND GROUP

229 Fourth Street ★ Juneau, AK 99801 ★ Phone 907-586-8192 ★ Fax 907-789-0569



## Dynamic Pricing Concerns

Mr. Robert Venables, Chair of the Marine Transportation Advisory Board

Dear Robert and members of the MTAB:

I would like to express my concern and frustration regarding the Alaska Marine Highway System's new dynamic pricing, event pricing, and change fees, as well as their implementation. Dynamic pricing was discussed by both MTAB and Southeast Conference's Steering Committee. The context of these discussions was the concept of reducing fees in order to increase ridership. This concept was not captured by the new dynamic pricing model. At no point, in the State's new plan, is the price of tickets reduced, in fact, this could be considered a rigid tariff increase.

Since passenger ridership has dropped significantly in recent years, and even more in recent months, the price of walk on tickets should be reduced significantly in order to fill the ships with increased ridership. The ships have the space to accommodate walk on passengers that is not being utilized. The increase in ridership will have multiple positive results in revenue. The passengers will ride more frequently, they will purchase food on board and they will possibly purchase staterooms. People in outlying communities may be more motivated to travel to hubs for shopping, medical, family visits, etc. Fares for walk-ons should be decreased until 75% or more of capacity is booked.

Even vehicle and cabin prices are too high. In order to maximize revenue, the vessels should be sailing at or near capacity for all services provided. The fact that ridership and services are not being utilized more is an indicator that the prices for those services are too high. When a ship is full the passengers will spend money on board, therefore increasing revenue. Again, these fares should be decreased until 75% or more capacity is booked.

The event pricing surcharge is another example of short sighted thinking. If prices were reduced to increase ridership, the ship would be full thus increasing revenue and creating additional revenue opportunities. This increased surcharge will decrease ridership because the passengers will be taken advantage of. Events prices should be reduced or discounted to increase ridership. For example, Alaska Airlines has been known to offer Special Fares which are discounted to provide service to specific events like during legislative session. They also offer PFD sales to maximize ridership.

The change fees are, in my opinion, unnecessary. The design of change fees is to penalize someone for taking up space that could have been utilized by another person. These types of fees could be implemented when ridership has been increased to the point that another person

would be impacted. For example, when a vessel is booked at 75% capacity or more a change fee would be more logical. In the meantime, keeping prices down will have a more positive effect in ridership and revenue than unnecessary fees.

As an example, in the summer of 2013 when the last printed schedule had set fares, it cost \$242 for one passenger and one Subaru Forester (16-foot) vehicle to go round trip from Angoon to Juneau. I priced the same trip for October of this year and it cost \$394. The difference is **\$152 or a 48% increase**. If the ship happens to be 50% booked the price is now \$485. The difference from the 2013 price and the 50% capacity 2019 price is **\$243 or 67% higher**.

Let's use the Bellingham run as another example. In the 2013 printed summer schedule, the cost for one passenger, one Subaru Forester (16-foot) vehicle and one 2 berth inside cabin from Bellingham to Juneau was \$3,022. The current price is \$4,044. That difference is **\$1,022 or a 29% increase**. Let's again assume that the ship is at 50% capacity, the new price is \$5,117.40. The difference between the 2013 price and the 50% capacity 2019 price is **\$2,095.40 or 51% higher**. These examples show us that prices have already been increased. It has become increasingly obvious that these new prices have been decreasing ridership.

The implementation of these surcharges could not have been made at a worse time. On the eve of significantly reducing service, when we need ridership and revenue more than ever, is not the time to implement price increases. We are on the verge of alienating the passengers we still have. We should be doing everything we can to incentivize passengers to travel.

I appreciate your time and attention and am eagerly awaiting a discussion on these issues. Please feel free to contact me.

Sincerely,



Shannon Adamson

MTAB and SEC Steering Committee Member

Masters, Mates and Pilots Alaska Regional Representative

(907) 586-8192

[sadamson@bridgedeck.org](mailto:sadamson@bridgedeck.org)

CC: Southeast Conference AMHS Reform Steering Committee

## **AMHS ITERATIVE PLAN\***

### **MTAB members:**

A group of Ketchikan stakeholders have been meeting over the last few weeks to contemplate the future of the AMHS in light of the recent budget cuts. There is recognition that the Administration has a consultant working on long-term recommendations which may take many months to implement after the report is released in October. However, the ferry system cannot wait to reduce its operating cost without impacting service levels severely. Radical change must take place within the next 90 days. This past week the group discussed these recommendations and submit them for MTAB's consideration as the board advises AMHS and the Governor on necessary actions.

### **Objectives and short-list recommendations for cost-saving measures:**

- a. Staffing levels must be "right-sized" immediately and not wait for consultant's study. Determining proper personnel levels for headquarters, shoreside and fleet may require 3<sup>rd</sup> party assistance (especially since COI is not aligned with contracts).
- b. Adjust COI if necessary, to reduce crewing levels, possibly reduce services and/or amenities on board.
- c. ~~Lower (or no) overtime standards need to be set and met.~~
- d. Southern terminus needs to be re-evaluated asap with consideration for major changes (analyze seasonal and/or year-round service needs and opportunities).
- e. The Administration should meet with Prince Rupert officials and BC Ferries ASAP to determine Prince Rupert's level of cooperation and the integration of routing, schedules, fares and marketing that BC Ferries can/is willing to provide;
- f. Begin process to investigate private sector opportunities (explore RFP now for reopening bars within current contract confines);
- g. New reservation system not fully operational, many issues with cost overruns, possible long-term fiscal obligations and inadequate data collection (outside analysis needed for accountability and correction).
- h. Marketing focus and scheduling must adjust to new realities and be focused.

Action should take place at the earliest opportunity. Investigate these initiatives now so that budgetary savings can be outlined and possibly achieved while the Administration's consultants continue their work.

Sincerely,

Dennis Watson  
AMHS Reform  
Southeast Conference

\*Iterative Planning is a process for arriving at a decision or a desired result by repeating rounds of analysis with an objective to bring the desired decision or result closer to goal after each analysis

## **AMHS Reservation System Limitations**

### **Issue:**

AMHS is not consistently capturing passenger data critical for business planning, marketing, and other communications.

### **Background:**

Through 2015, AMHS captured passenger country of origin and U.S. zip code data that allowed analysis of passenger composition.

Currently, AMHS requires only passenger name, date of birth, and phone number. Passengers are not required to provide any location information such as zip code, nationality, or state.

There are no fields to enter this information when booking online (with the exception of travelers who have created and logged into a customer account). Reservation agents making sales in person or over the phone have the option of asking for passengers' information—but are not required to.

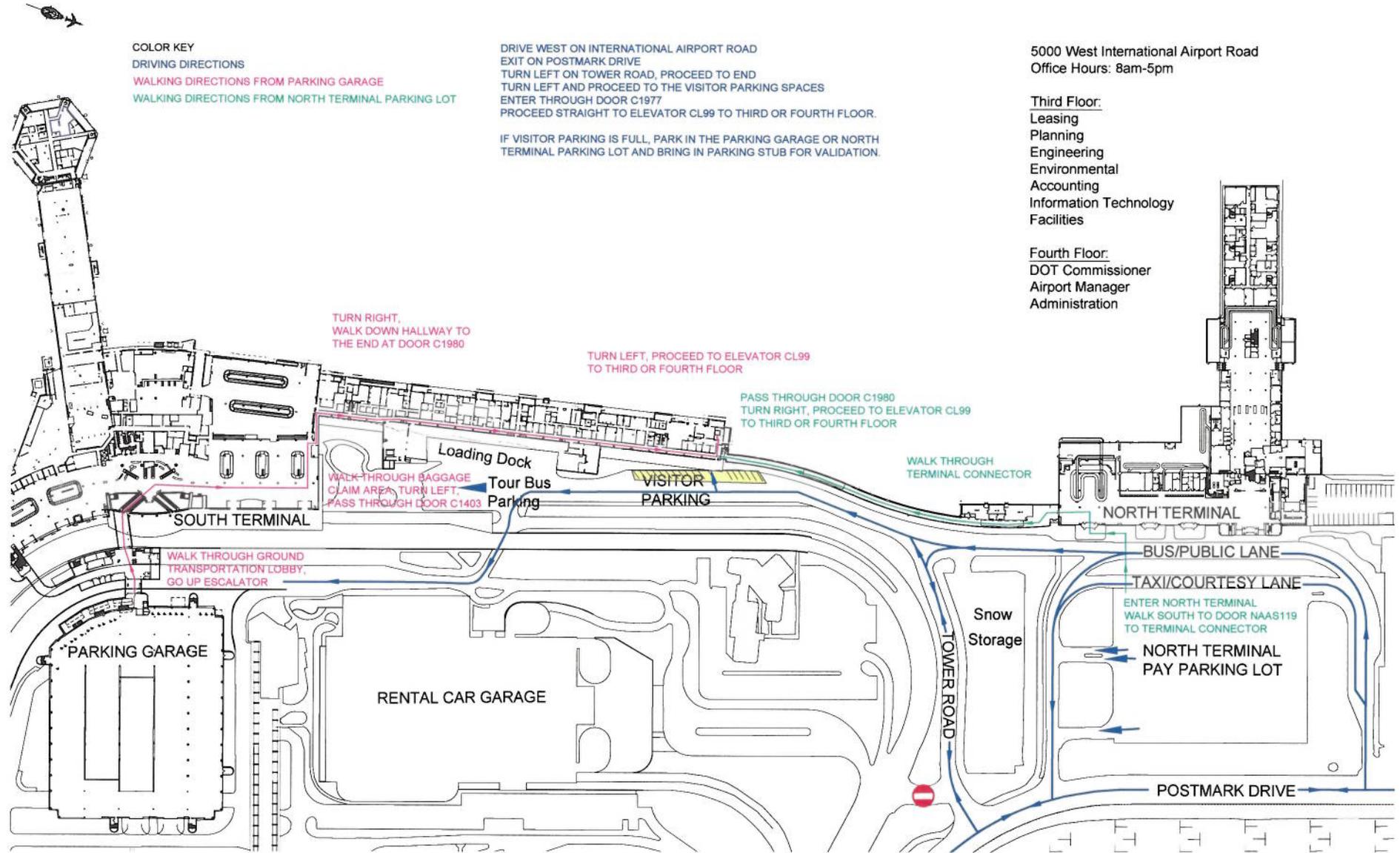
In addition to internal marketing and business analysis, McDowell Group has relied on passenger origin information for a number of projects.

- Passenger origin data was analyzed as part of the *AMHS Reform* project, greatly improving Alaskans' understanding of AMHS customer base and value.
- Differentiating between Alaska resident and non-resident passenger volume is needed for several aspects of *Alaska Visitor Statistics Program* including sample selection, data weighting, and estimation of statewide and community visitor volume.
- Non-resident passenger volume is essential when determining the *Economic Benefits of the Alaska Marine Highway System*.
- Tourism development reports for individual DMOs and municipalities have benefited from passenger origin data. For example, for a report on Haines' winter visitor industry, we were able to report the number of Juneau and Yukon residents using AMHS to access the community.

### **Recommendation:**

Reinstate the practice of collecting country of origin and U.S. zip codes at the time of purchase.

# DIRECTIONS TO TED STEVENS ANCHORAGE INTERNATIONAL AIRPORT STAFF OFFICES



**COLOR KEY**  
 DRIVING DIRECTIONS  
 WALKING DIRECTIONS FROM PARKING GARAGE  
 WALKING DIRECTIONS FROM NORTH TERMINAL PARKING LOT

DRIVE WEST ON INTERNATIONAL AIRPORT ROAD  
 EXIT ON POSTMARK DRIVE  
 TURN LEFT ON TOWER ROAD, PROCEED TO END  
 TURN LEFT AND PROCEED TO THE VISITOR PARKING SPACES  
 ENTER THROUGH DOOR C1977  
 PROCEED STRAIGHT TO ELEVATOR CL99 TO THIRD OR FOURTH FLOOR.

IF VISITOR PARKING IS FULL, PARK IN THE PARKING GARAGE OR NORTH TERMINAL PARKING LOT AND BRING IN PARKING STUB FOR VALIDATION.

5000 West International Airport Road  
 Office Hours: 8am-5pm

**Third Floor:**  
 Leasing  
 Planning  
 Engineering  
 Environmental  
 Accounting  
 Information Technology  
 Facilities

**Fourth Floor:**  
 DOT Commissioner  
 Airport Manager  
 Administration

TURN RIGHT,  
 WALK DOWN HALLWAY TO  
 THE END AT DOOR C1980

TURN LEFT, PROCEED TO ELEVATOR CL99  
 TO THIRD OR FOURTH FLOOR

PASS THROUGH DOOR C1980  
 TURN RIGHT, PROCEED TO ELEVATOR CL99  
 TO THIRD OR FOURTH FLOOR

WALK THROUGH  
 TERMINAL CONNECTOR

WALK THROUGH BAGGAGE  
 CLAIM AREA, TURN LEFT,  
 PASS THROUGH DOOR C1403

WALK THROUGH GROUND  
 TRANSPORTATION LOBBY,  
 GO UP ESCALATOR

BUS/PUBLIC LANE  
 TAXI/COURTESY LANE  
 ENTER NORTH TERMINAL  
 WALK SOUTH TO DOOR NAAS119  
 TO TERMINAL CONNECTOR