



Alaska Department of Transportation & Public Facilities (DOT&PF)

Senate Finance Subcommittee

Alaska Marine Highway System (AMHS) Overview

Marc Luiken, Commissioner

Matt McLaren, AMHS Business Development Manager

March 13, 2018

Keep Alaska Moving through service and infrastructure

Our DOT&PF People: Alaskans Serving Alaskans

Administrative Team, AMHS Ketchikan Central Office

- **Leslie Brewer** has been an Administrative Officer II with AMHS since September 2015. She handles many different tasks within the financial and administrative areas of AMHS. When not handling State business she is tending to her elementary-aged daughter, 2 dogs and 4 cats with the help of her husband of 8 years.
- **Linda Hall** has been an Office Assistant II with AMHS for nearly 8 years. She was voted Class Clown of her senior class and believes that humor is a necessity of life. She is very proud of how the AMHS team cleared its credit card backlog.
- **James Corrao** is currently one of the Accounting Clerks at AMHS. He is an aspiring novelist and part time college student working toward an AA in accounting. He enjoys cooking, community radio, and spending time with friends.
- **Sara Weston** has been with AMHS since April of 2017. During that time she has done a variety of tasks as an Office Assistant II. During her off time you will see her going from one kid activity to another, her 3 children are her life. She coaches soccer and is “that” mom cheering her kids on from the side lines for basketball.
- Together this team earned the **DOT&PF Team Achievement Award** for devising a work flow that was able to reduce the time needed for processing the thousands of AMHS credit card transactions, and thus eliminating payment delays.



Left to Right: Linda Hall, Sara Weston, Leslie Brewer and James Corrao





Mission Statements

DOT&PF

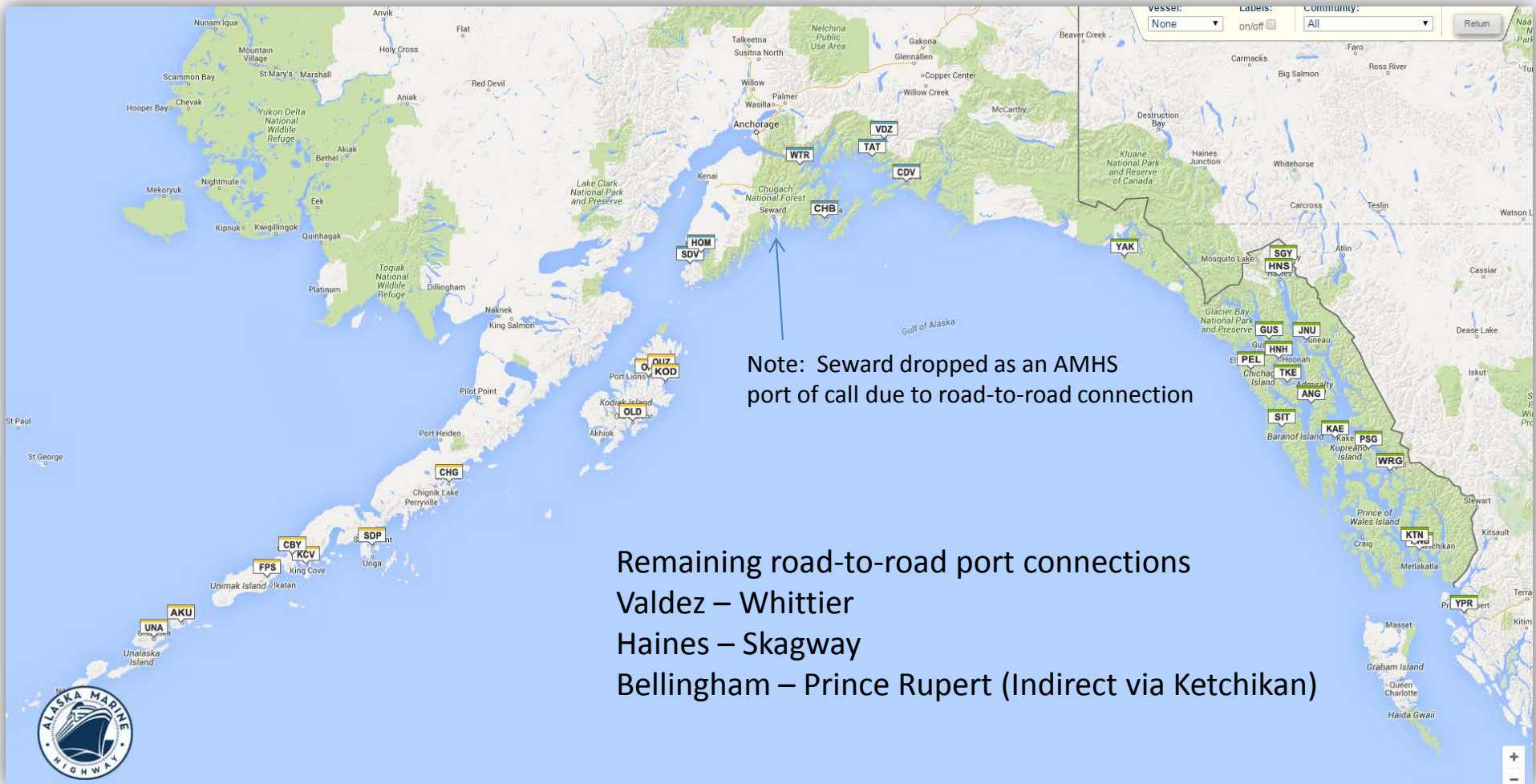
Keep Alaska Moving through service and infrastructure.

AMHS

To provide safe, reliable, and efficient transportation of people, goods, and vehicles among Alaska communities, Canada, and the "Lower 48," while providing opportunities to develop and maintain a reasonable standard of living and high quality of life, including social, education, and health needs.

Primary Core Service: Provide Transportation Services

AMHS Ports Of Call



33 Alaskan Communities, Prince Rupert, & Bellingham

AMHS Port and Vessel Codes

Communities

ANB = Metlakatla (Annette Bay)
AKU = Akutan
ANG = Angoon
BEL = Bellingham, WA
CBY = Cold Bay
CDV = Cordova
CHB = Chenega Bay
CHG = Chignik
FPS = False Pass
GUS = Gustavus
HNS = Haines
HNH = Hoonah
HOM = Homer
JNU = Juneau (Auke Bay)
KAE = Kake
KCV = King Cove
KOD = Kodiak
KTN = Ketchikan

Communities

OLD = Old Harbor
ORI = Port Lions
OUZ = Ouzinkie
PEL = Pelican
PSG = Petersburg
SDP = Sand Point
SDV = Seldovia
SGY = Skagway
SIT = Sitka
TAT = Tatitlek
TKE = Tenakee
UNA = Unalaska/
Dutch Harbor
VDZ = Valdez
WRG = Wrangell
WTR = Whittier
YAK = Yakutat
YPR = Prince Rupert, BC

Ships

AUR	M/V Aurora
CHE	FVF Chenega
COL	M/V Columbia
FWX	FVF Fairweather
KEN	M/V Kennicott
LEC	M/V LeConte
LIT	M/V Lituya
MAL	M/V Malaspina
MAT	M/V Matanuska
TAK	M/V Taku
TUS	M/V Tustumena
M/V	Motor Vessel
FVF	Fast Vehicle Ferry

PROVIDE

Alaska Marine Highway System

Operating Ferries on Routes

\$121,200.2

33.9% UGF

66% DGF

Alaska Marine
Highway
System

Conformance to published scheduled sailing versus actual sailings

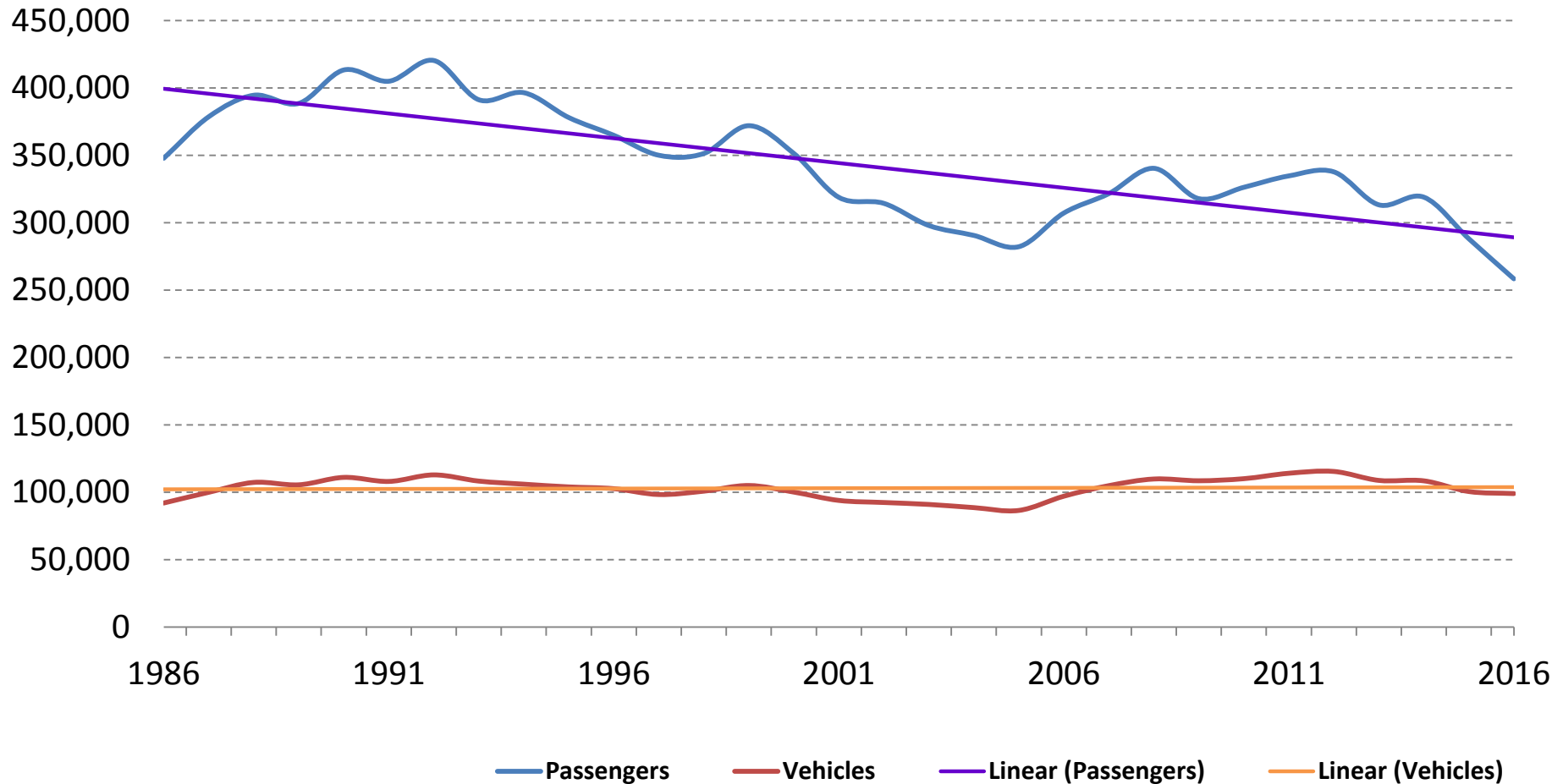
AMHS FY17 WEEKS OF SERVICE

Vessel	FY 2017 Budget	FY 2017 Actual	Variance	Notes
Aurora	46.0	41.7	(4.3)	O/H Delay
Chenega	-	-	-	
Columbia	27.7	12.4	(15.3)	O/H Delay
Fairweather	21.7	34.0	12.3	AUR/LEC Backup
Kennicott	26.4	40.7	14.3	COL Backup
LeConte	47.1	44.7	(2.4)	O/H Delay
Lituya	49.9	49.9	-	
Malaspina	24.4	24.4	-	
Matanuska	47.1	45.3	(1.8)	O/H Delay
Taku	-	-	-	
Tustumena	44.7	36.4	(8.3)	O/H Delay
Subtotal	335.0	329.5	(5.5)	

Positions: 664

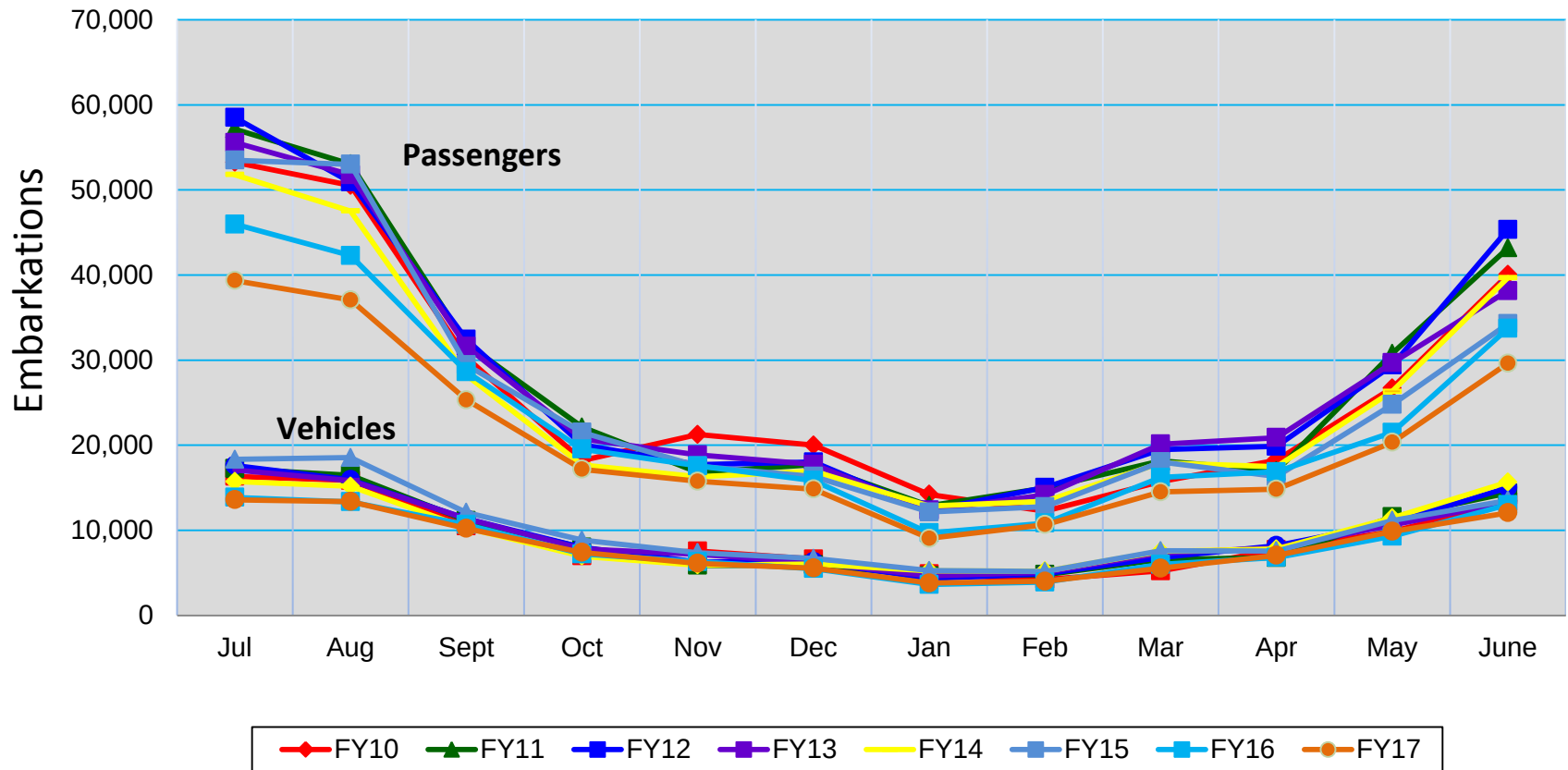
Historical Ridership

Annual AMHS Traffic Chart



Traffic Report

AMHS FY10 – FY17 Monthly Embarkations

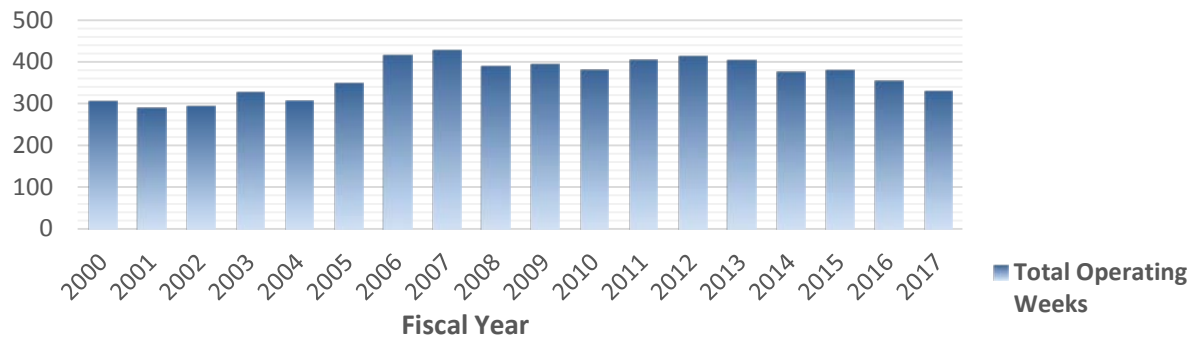


Historical Operating Weeks & Fleet Size

AMHS Operating Weeks from Annual Financial Reports

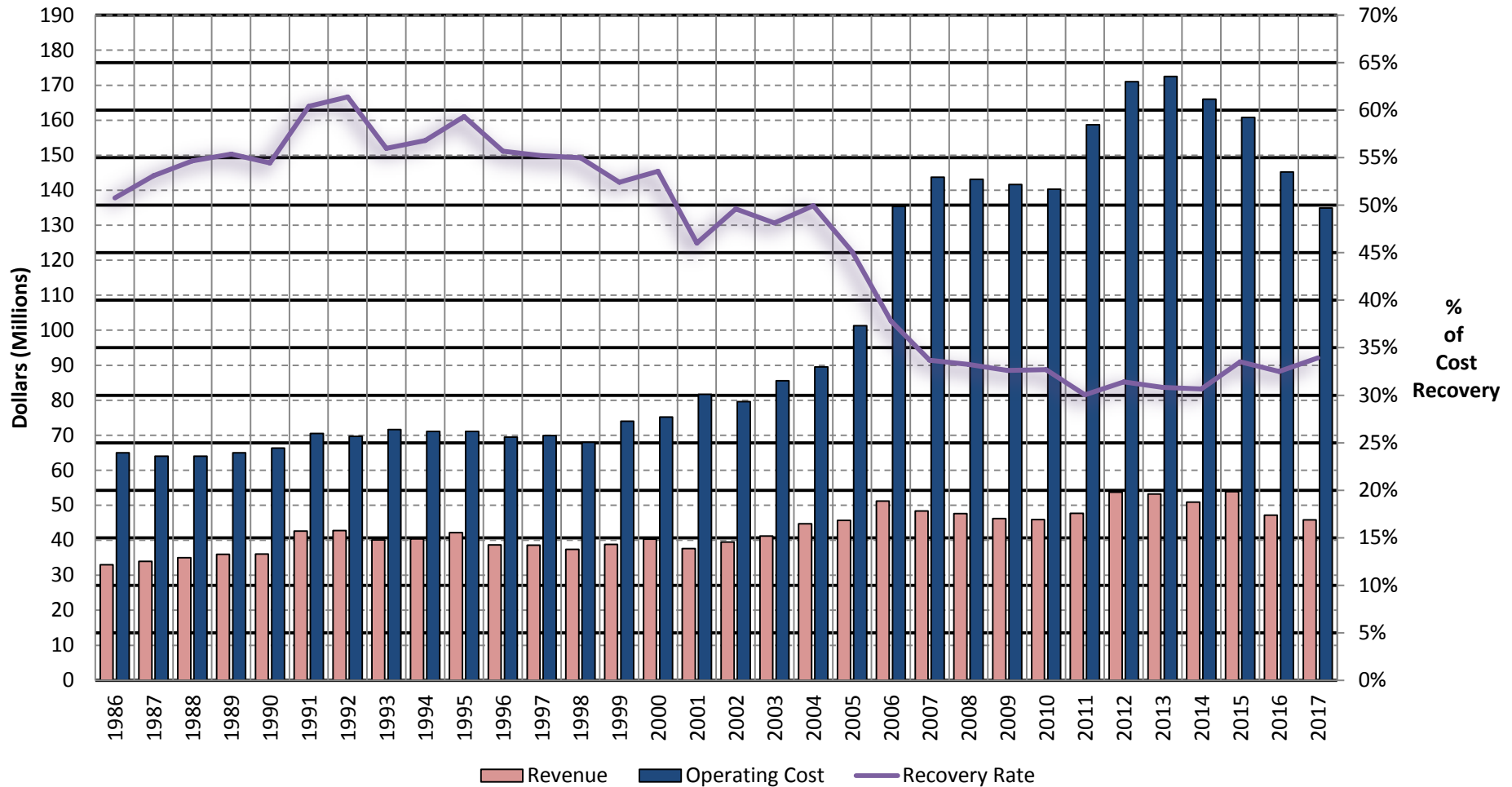
Fiscal Year	Operating weeks (actual as sailed)	Remarks
2000	305.0	9 ships (Bartlett, No FVF)
2001	291.7	9 ships (Bartlett, No FVF)
2002	293.7	9 ships (Bartlett, No FVF)
2003	326.6	9 ships (Bartlett, No FVF)
2004	306.2	11 ships (Lituya, Fairweather, Bartlett / No Chenega)
2005	349.0	Current 11 ships
2006	415.1	Current 11 ships
2007	427.8	Current 11 ships
2008	388.6	Current 11 ships
2009	394.4	Current 11 ships
2010	381.2	Current 11 ships
2011	405.1	Current 11 ships
2012	412.5	Current 11 ships
2013	403.8	Current 11 ships
2014	377.1	Current 11 ships
2015	378.3	Current 11 ships
2016	355.9	9 Ships In Operation (No Taku, No Chenega)
2017	329.6	9 Ships In Operation (No Taku, No Chenega)

FVF = Fast Vehicle Ferry



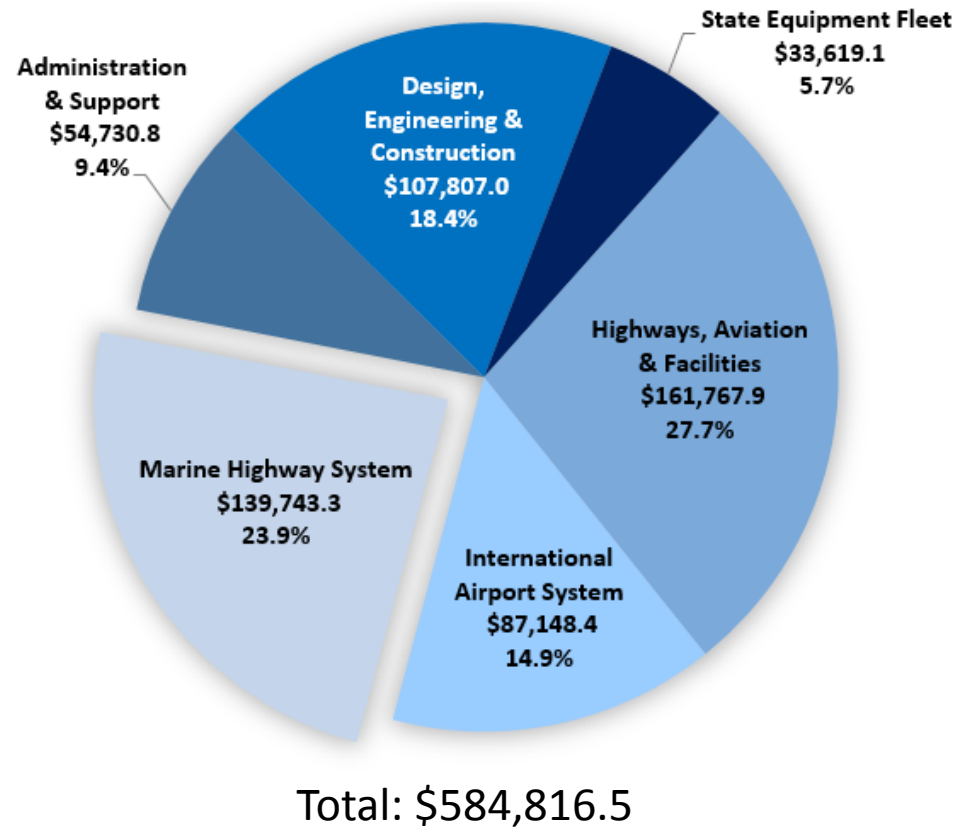
Historical Revenue & Operating Cost

AMHS Fare Box Recovery Rate 1986-2017

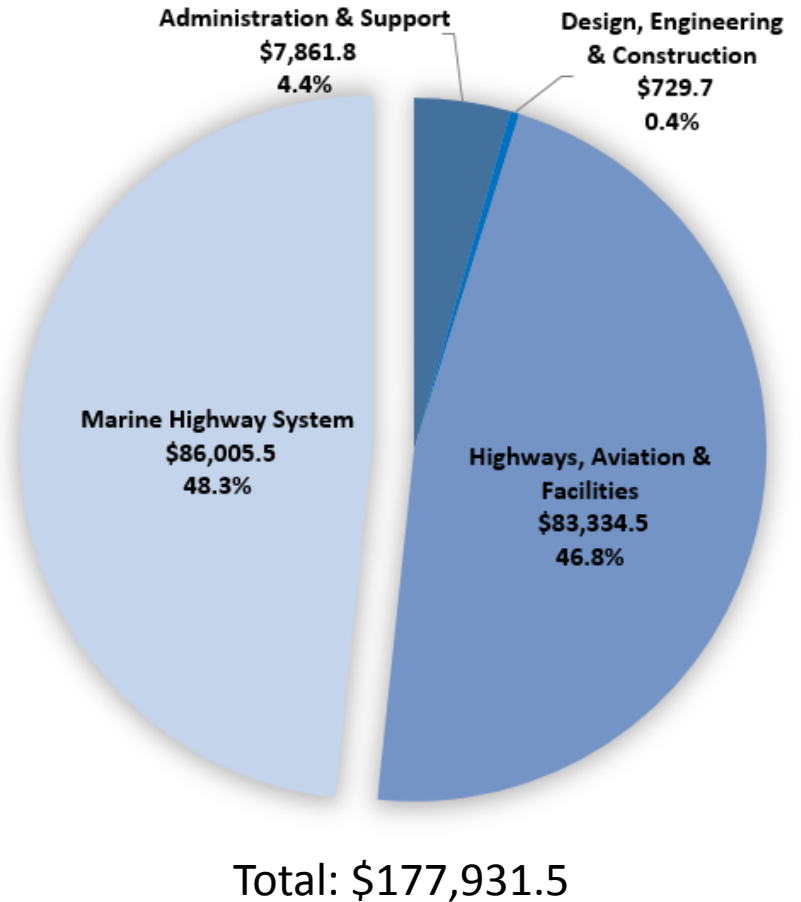


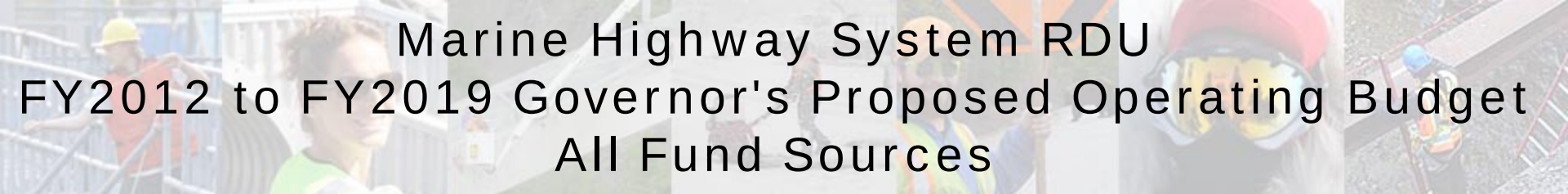
FY2019 DOT&PF Results Delivery Units (RDU)

All Funds



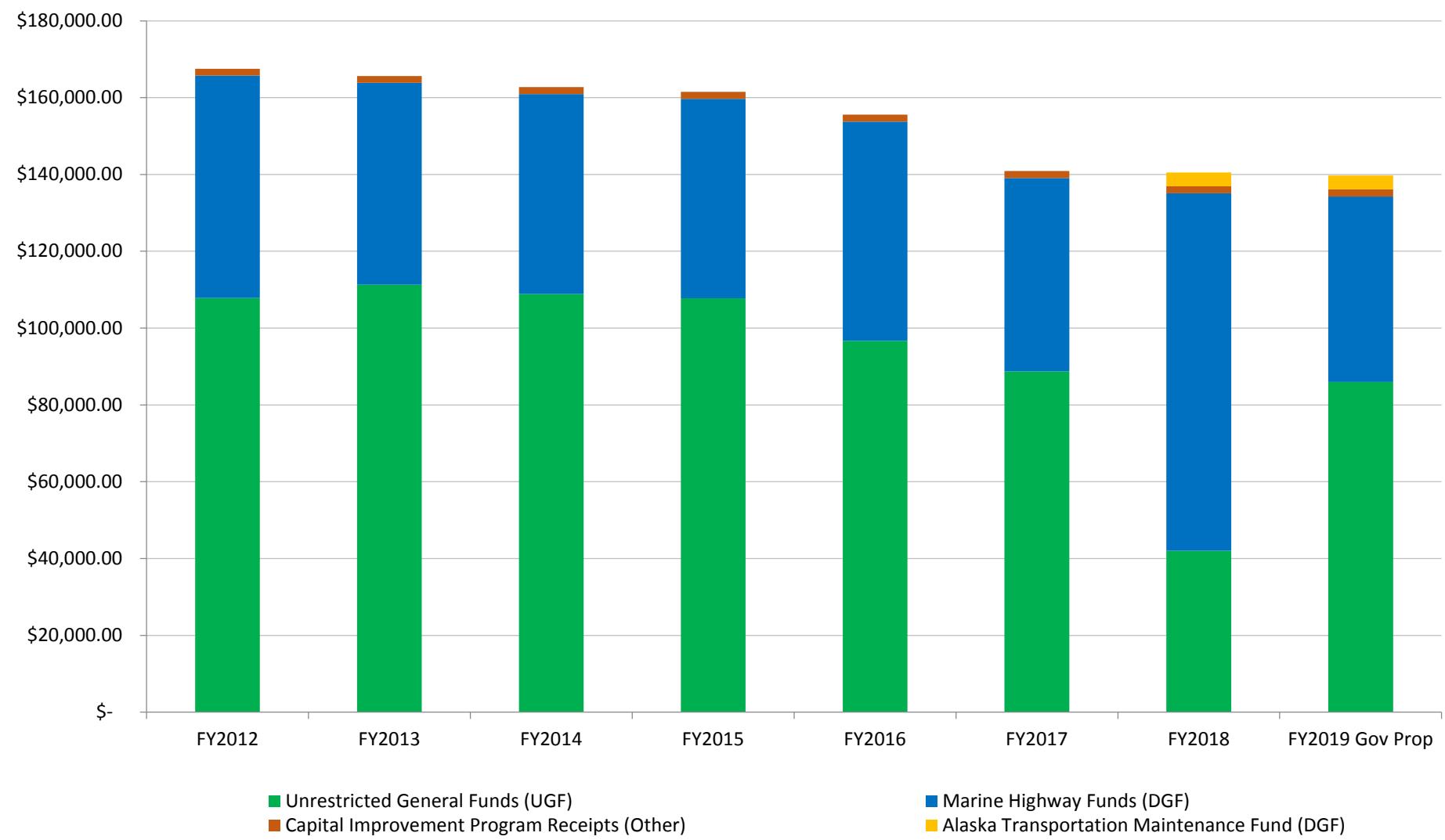
Unrestricted General Funds





Marine Highway System RDU

FY2012 to FY2019 Governor's Proposed Operating Budget All Fund Sources



AMHS Proposed Operating Budget Changes

FY2019 Governor's Proposed Budget

- Overall decrease in RDU \$740.7 (compared to FY2018 management plan)
- 8.2 week service level increase
 - Increase primarily due to less expensive mix of vessels
 - Funding change \$3,128.1
 - Increment UGF \$4,364.5
 - Decrement AMHS funds (\$1,236.4)
- Reverse one-time funding from the AMHS fund (\$4,000.0)
- Replace AMHS funds with UGF to maintain marine highway system service \$40,000.0
- Replace UGF with AMHS funds due to elimination of winter driver discount program \$300.0

FY2018 Supplemental Appropriation included in the FY2019 Governor's Proposed Budget

- \$23,918.2 UGF
 - Cover shortfall from fund source change



The M/V Columbia at anchor in Sitka. Photo by Steve Hamilton, Alaska DOT&PF

UGF=Unrestricted General Fund
AMHS=Marine Highway System Fund



Tariff Increase History

AMHS made multiple tariff changes in the past few years for two main purposes

- Formulize, level, and make tariffs equitable and logical
- Generate additional revenue to offset UGF funding reduction

Authorized by 17 AAC 70.040 under DOT&PF Commissioner's Authority

- May 1, 2015: 4.5% across the board tariff increase
- Nov 1, 2015: 20.0% increase in commercial traffic tariffs
- Jan 1, 2016: 5.0% leveling tariff to fund FVF operation to fill service gaps
- May 1, 2016: First of five annual variable leveling tariff increase and 10% Bellingham traffic premium tariff (Dynamic Pricing)
- Jan 26, 2017: Lituya Metlakatla tariff policy change (double one way, zero back)
- May 1, 2017: Second of five annual variable leveling tariff increase
- May 1, 2018: Third of five annual variable leveling tariff increase

Sample Fare Comparison

- Adult Passenger BEL-JNU: \$326 in June, 2013
- Adult Passenger BEL-JNU: \$438 in June, 2018
(a 34% increase)

Thank You

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Commissioner

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Transportation is an *economic driver*

- Preserve, operate, and modernize existing infrastructure
- Provide transportation services
- Federally funded capital improvement projects

Impacts *daily quality of life*

- Safety
- Mobility
- Connectivity



M/V Malaspina, photo by Alaska DOT&PF