



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

## **House Finance Budget Subcommittee Alaska Marine Highway System (AMHS) Overview**

Marc Luiken, Commissioner

Matt McLaren, AMHS Business Development Manager

February 8, 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

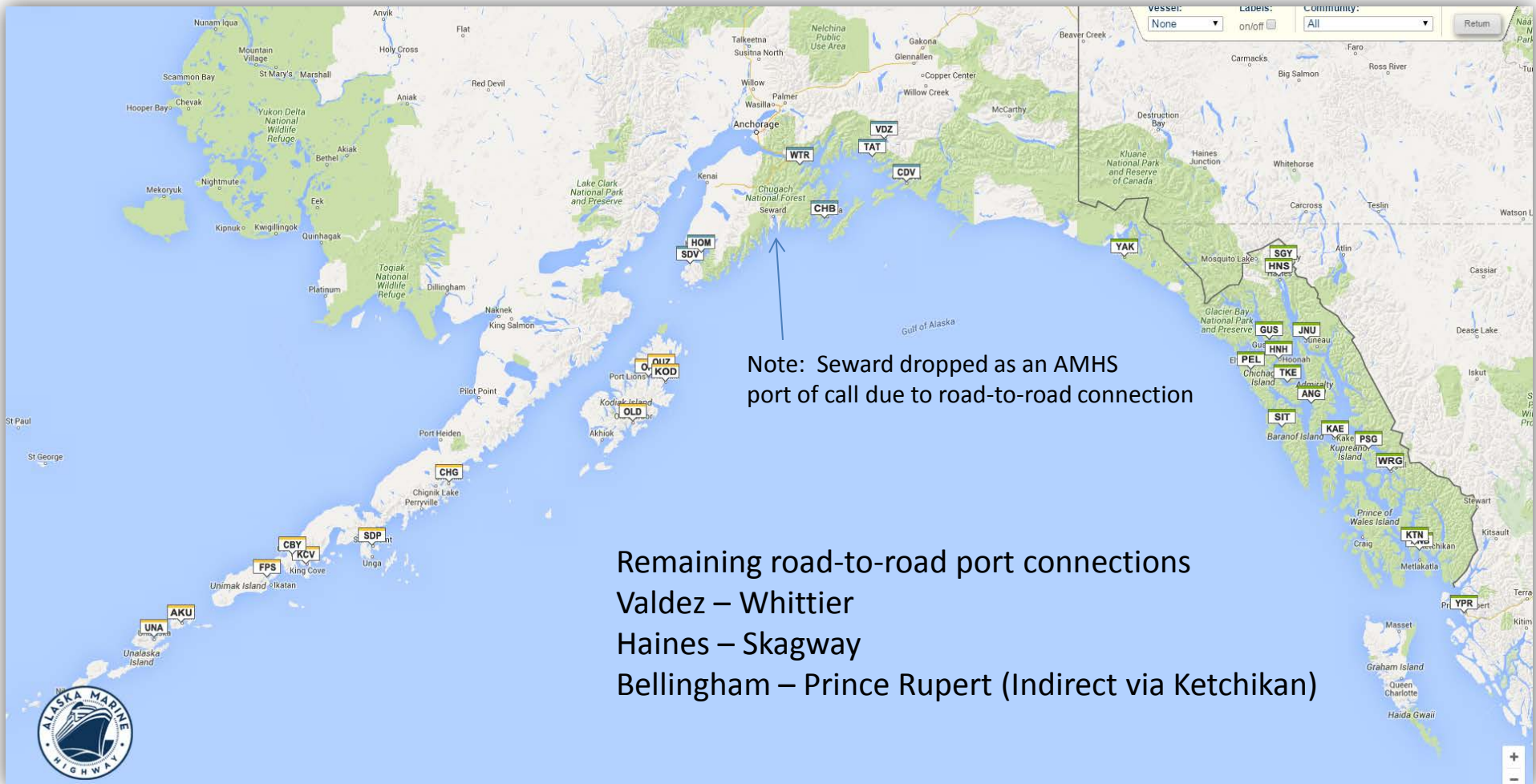
*Keep Alaska Moving through service and infrastructure.*

## 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

# [ PRESERVE ]

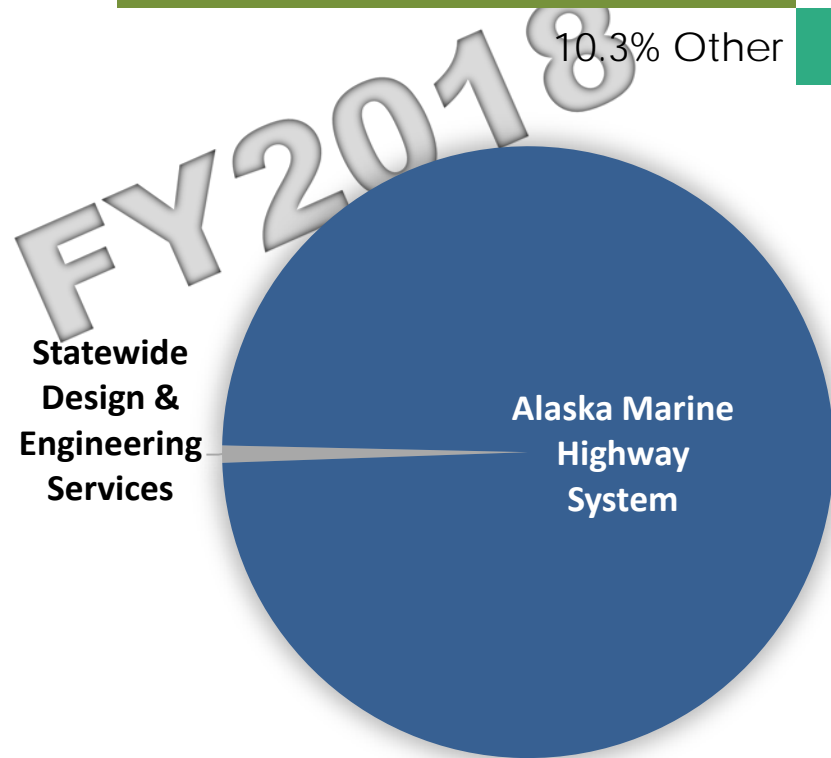
## Vessel / Terminal Preservation

\$5,296.8

13.4% UGF

76.3% DGF

10.3% Other



## Performance data compilation in progress:

### Contracts:

- Contract Change Order costs vs budgeted costs
- Actual maintenance completion vs scheduled maintenance completion

### Vessels:

- Cost of unplanned maintenance vs total maintenance cost
- Maintenance cost per vessel

Positions: 30

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
<b>Subtotal</b>	<b>335.0</b>	<b>329.5</b>	<b>(5.5)</b>	

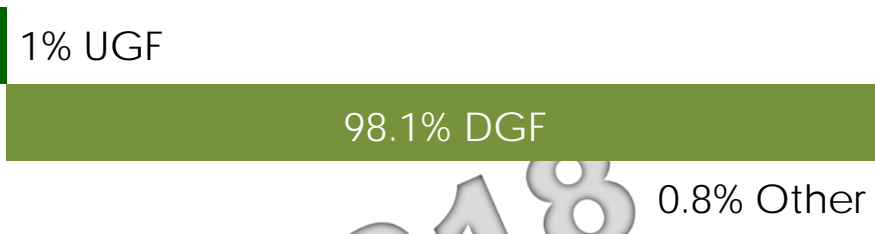
Positions: 664

PROVIDE

Alaska Marine Highway System

## Operating Ferry Terminals

\$8,937.8



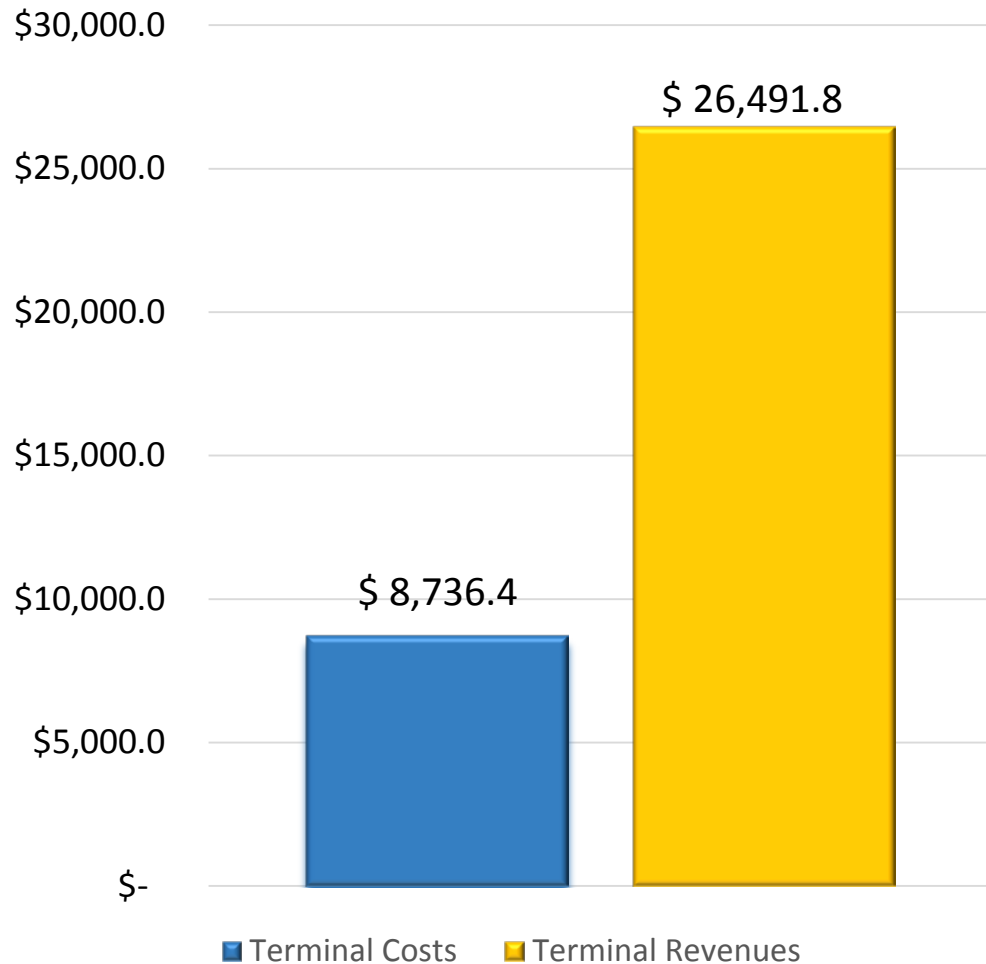
FY2018

Alaska Marine  
Highway  
System

Positions: 83

## Terminal costs versus terminal revenues

### FY17 AMHS Terminal Costs versus Terminal Revenues





PROVIDE

Alaska Marine Highway System

# Manage Reservations System

\$5,097.3

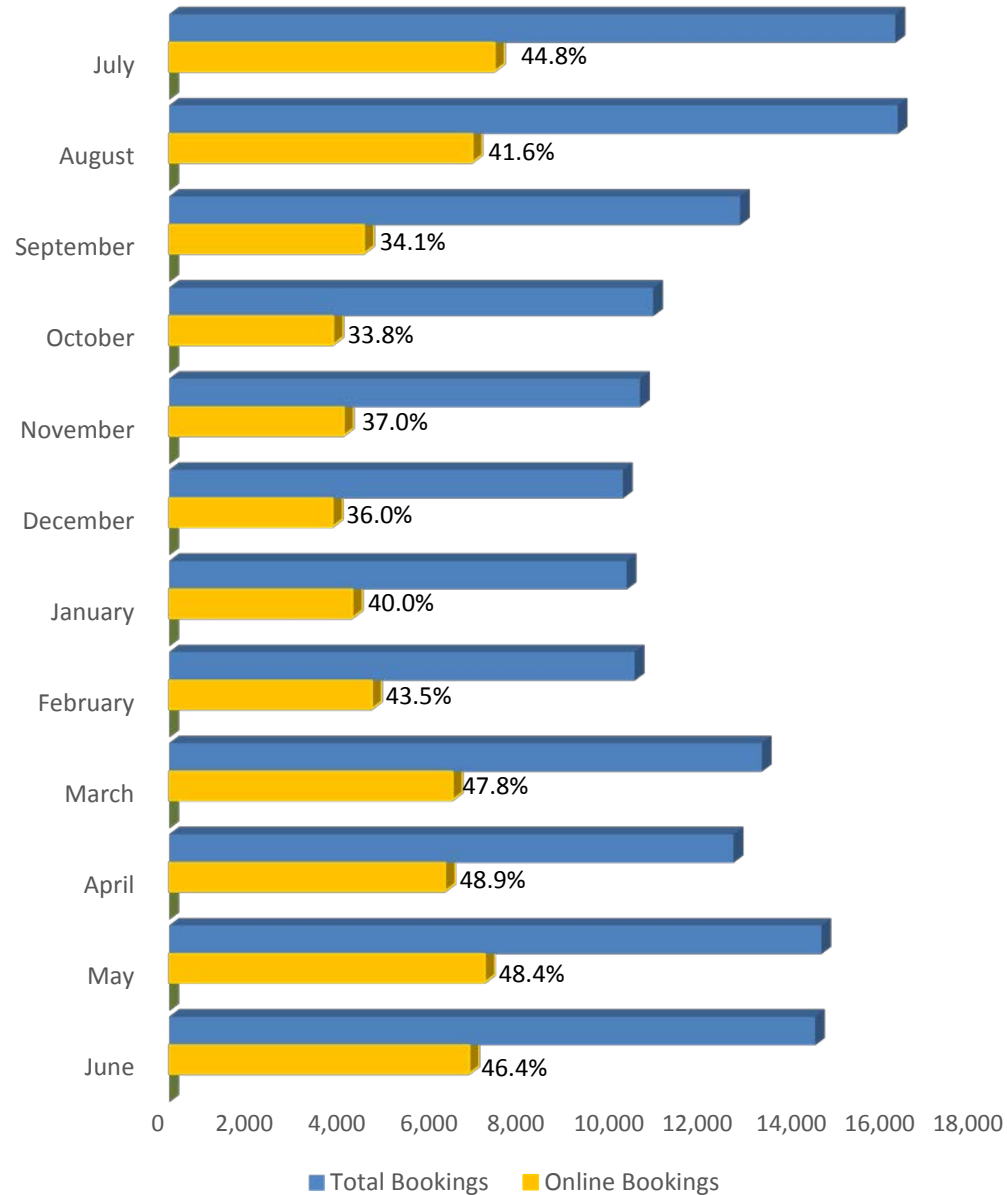
2% UGF

74.4% DGF

23.5% Other

Alaska Marine Highway System

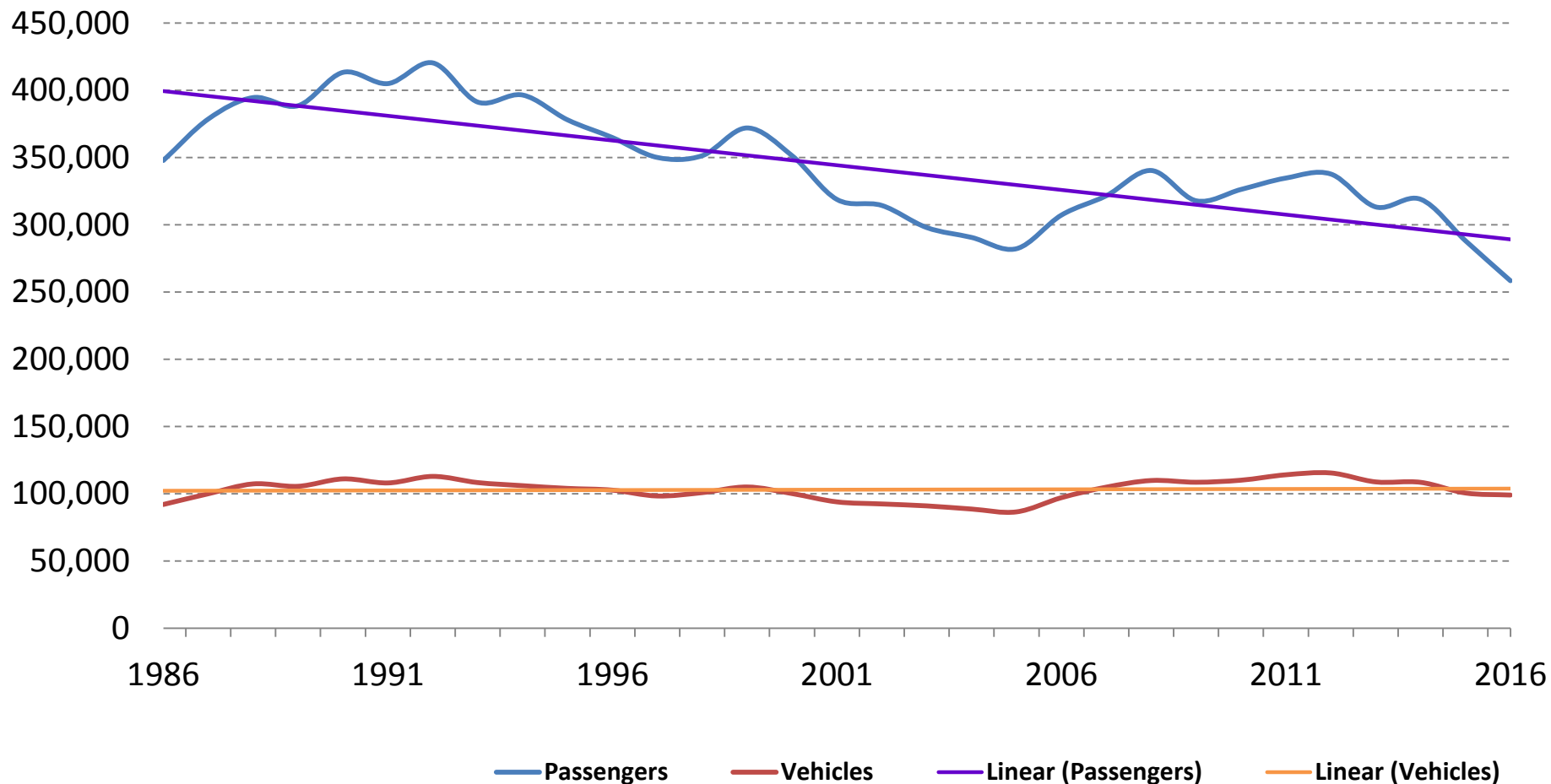
## Online reservations versus total reservations



Positions: 40

# Historical Ridership

## Annual AMHS Traffic Chart

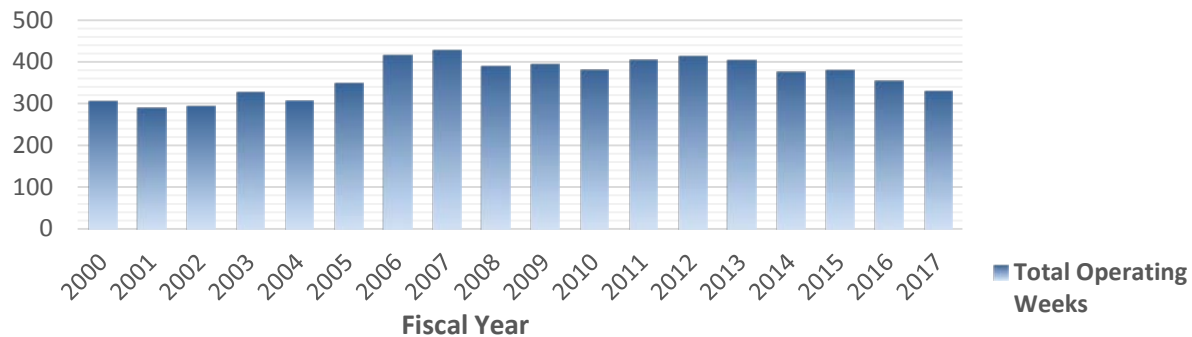


# Historical Operating Weeks & Fleet Size

## 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)

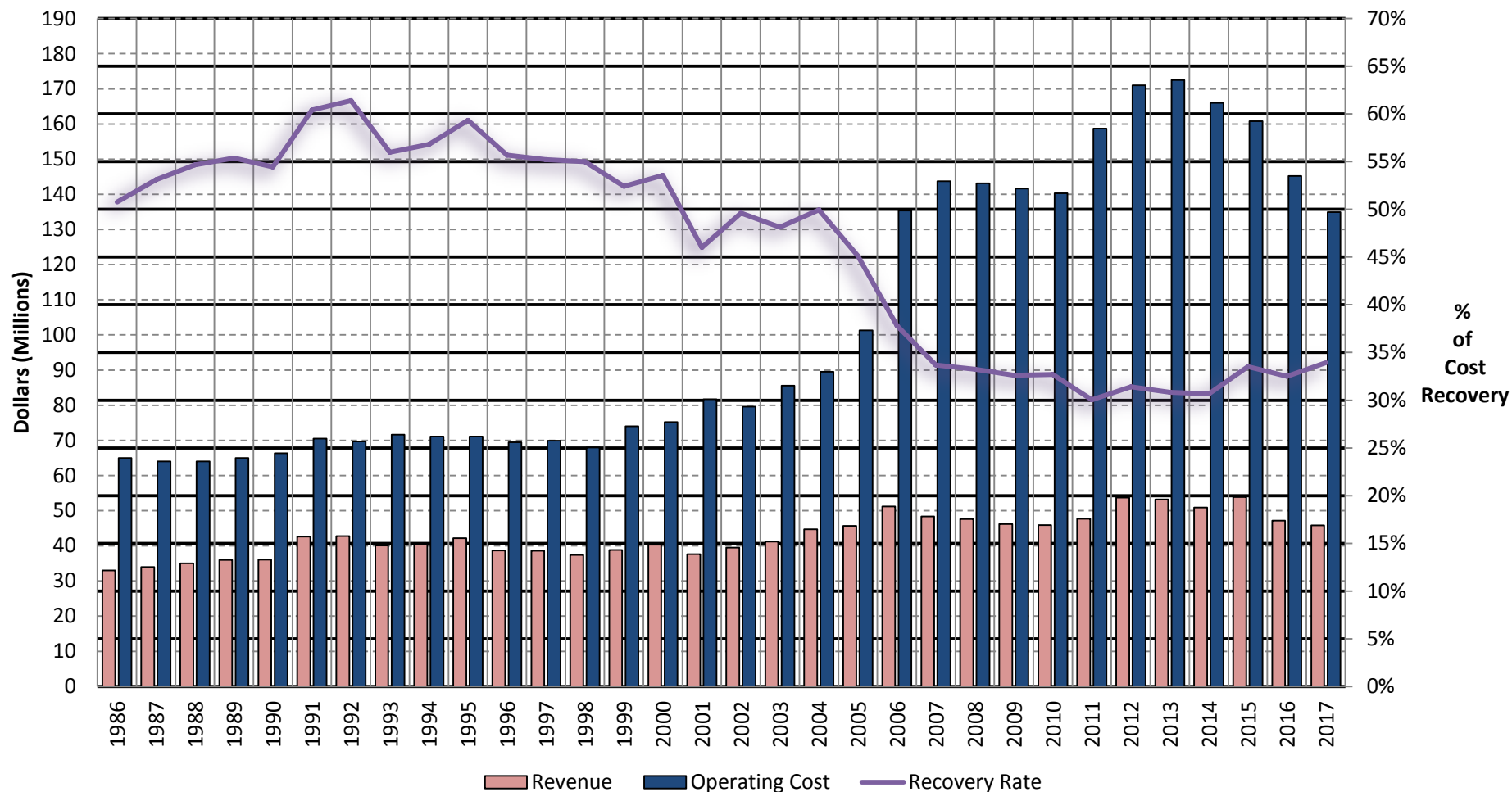
FVF = Fast Vehicle Ferry





# Historical Revenue & Operating Cost

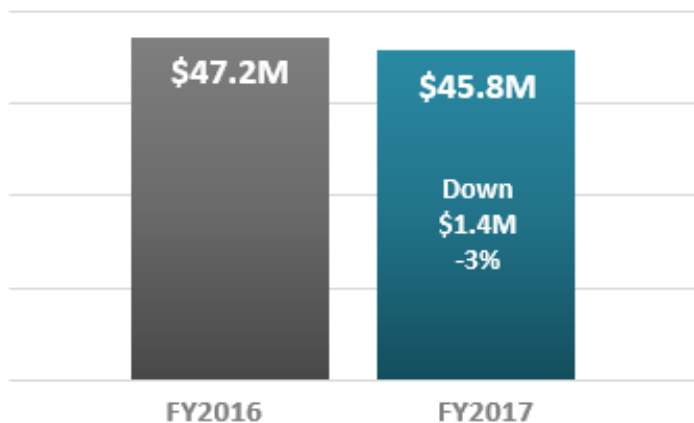
AMHS Fare Box Recovery Rate 1986-2017



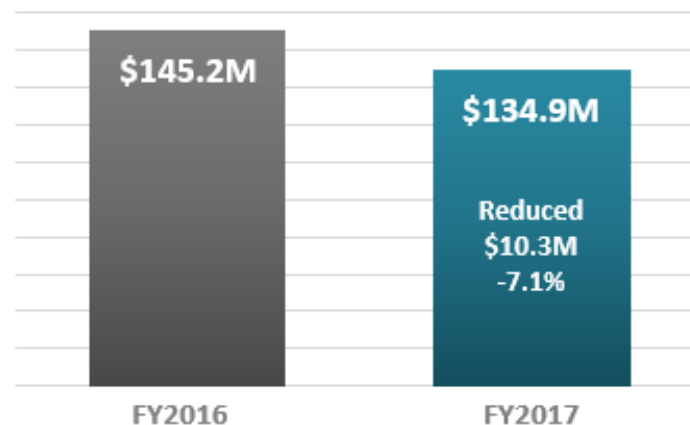


# FY2017 AMHS Statistics

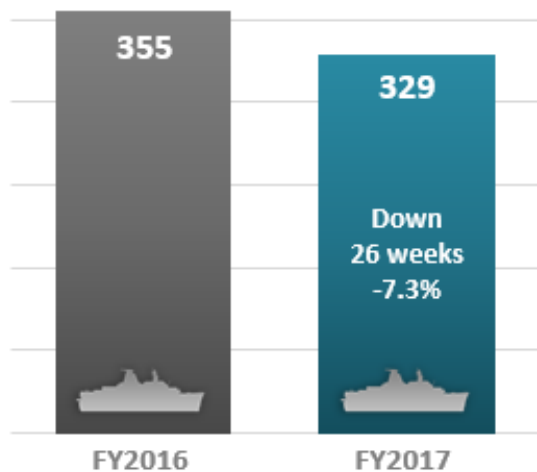
## Revenue Earned



## Operating Costs



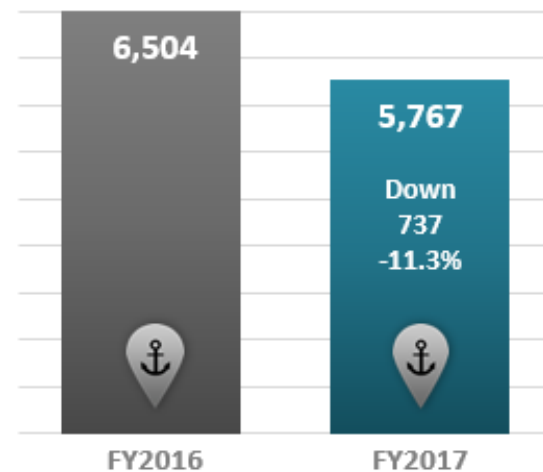
## Ship Weeks of Service



## Transported

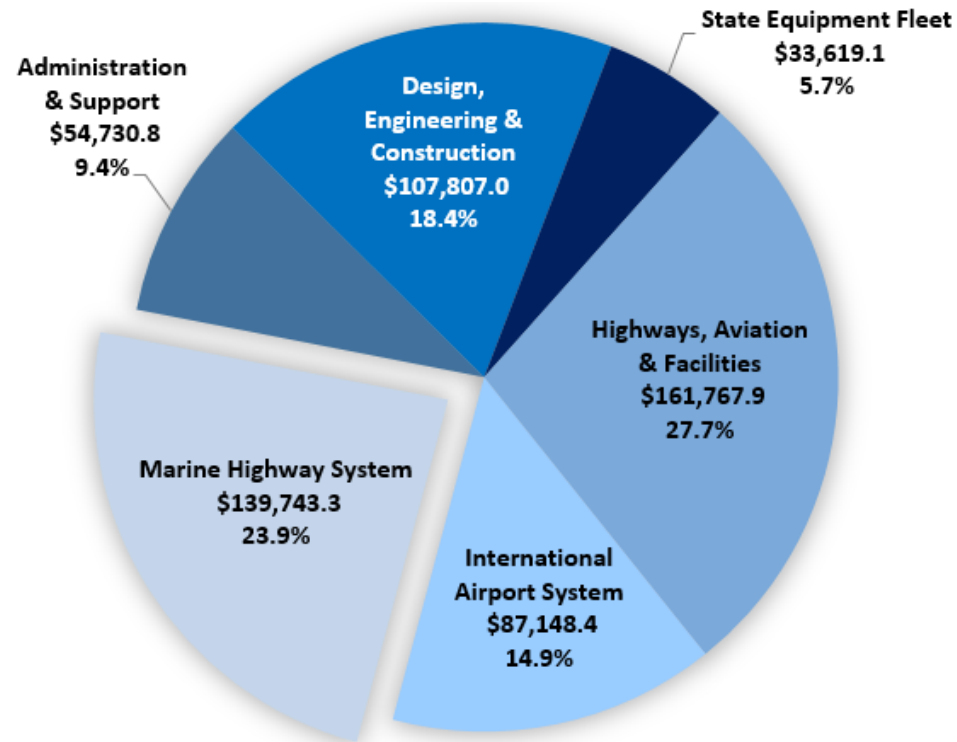


## Port Calls



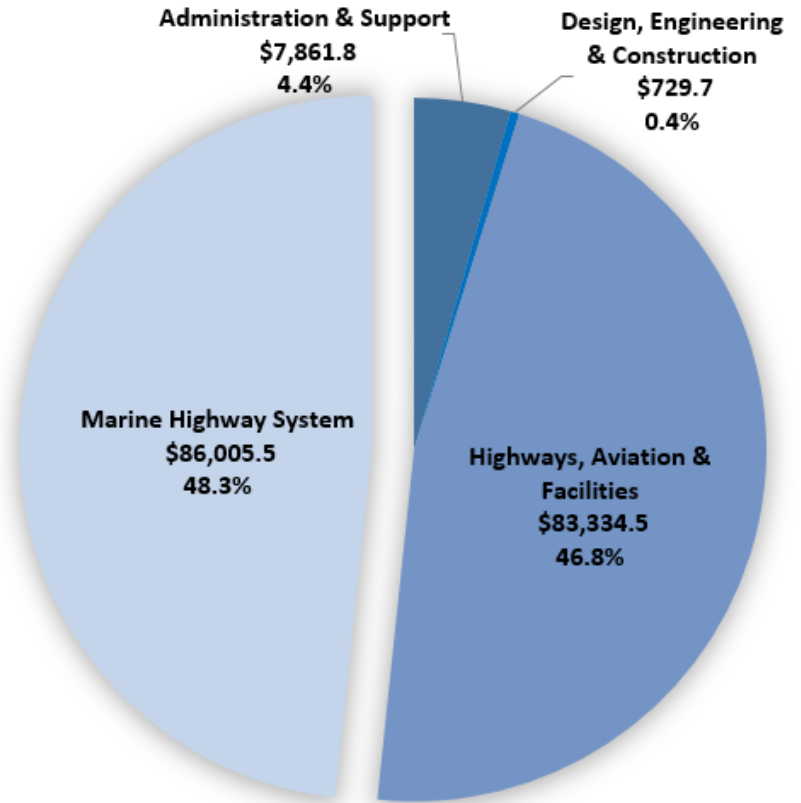
# FY2019 DOT&PF Results Delivery Units (RDU)

## All Funds



Total: \$584,816.5

## Unrestricted General Funds

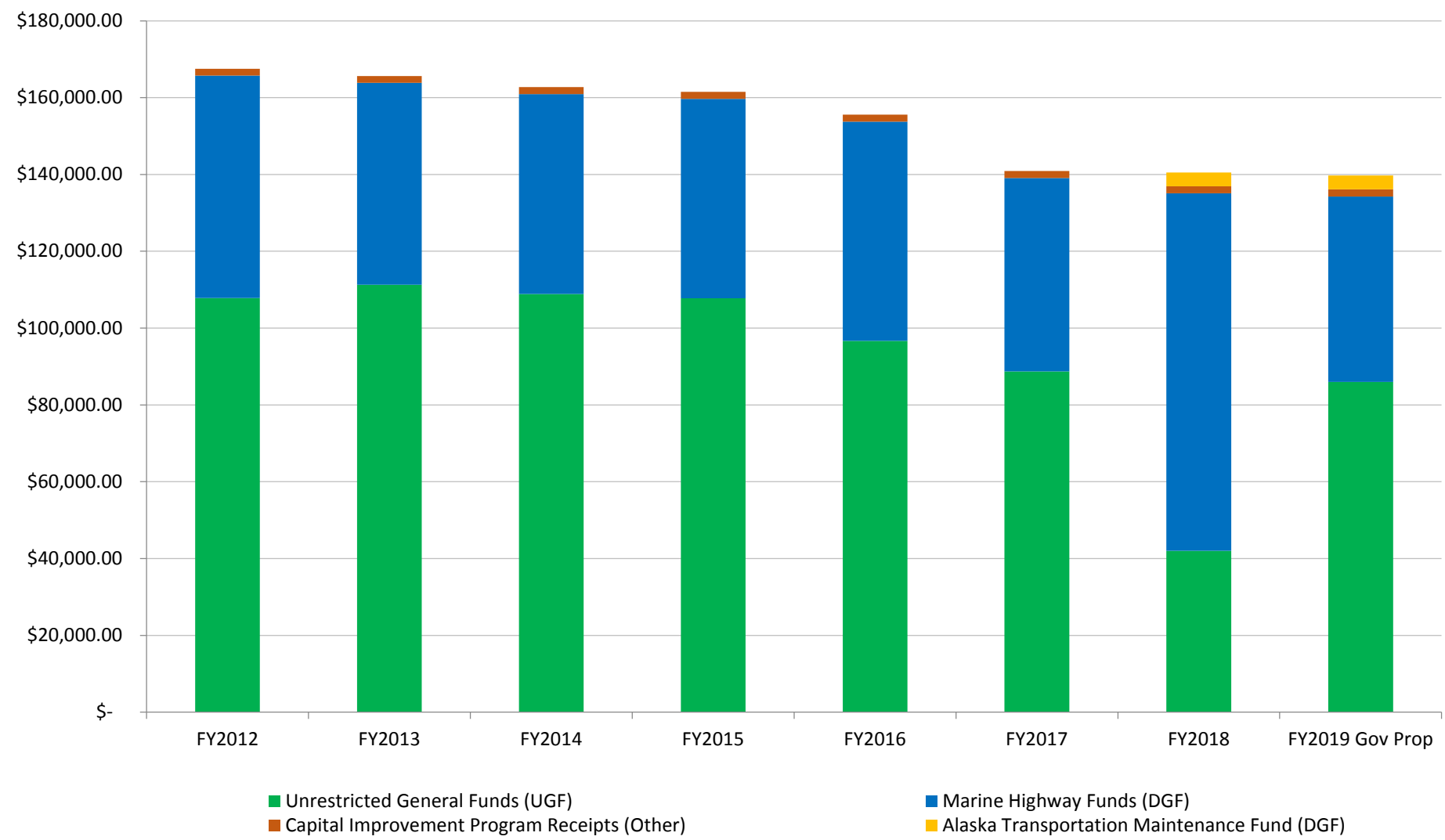


Total: \$177,931.5



# 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 increase \$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

## Contact Information:

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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