



# Alaska Department of Transportation & Public Facilities

## **Alaska Marine Highway System (AMHS) Overview**

Mary Siroky, DOT&PF Deputy Commissioner

Matt McLaren, AMHS Business Enterprise & Development Manager

Amanda Holland, OMB Management Director

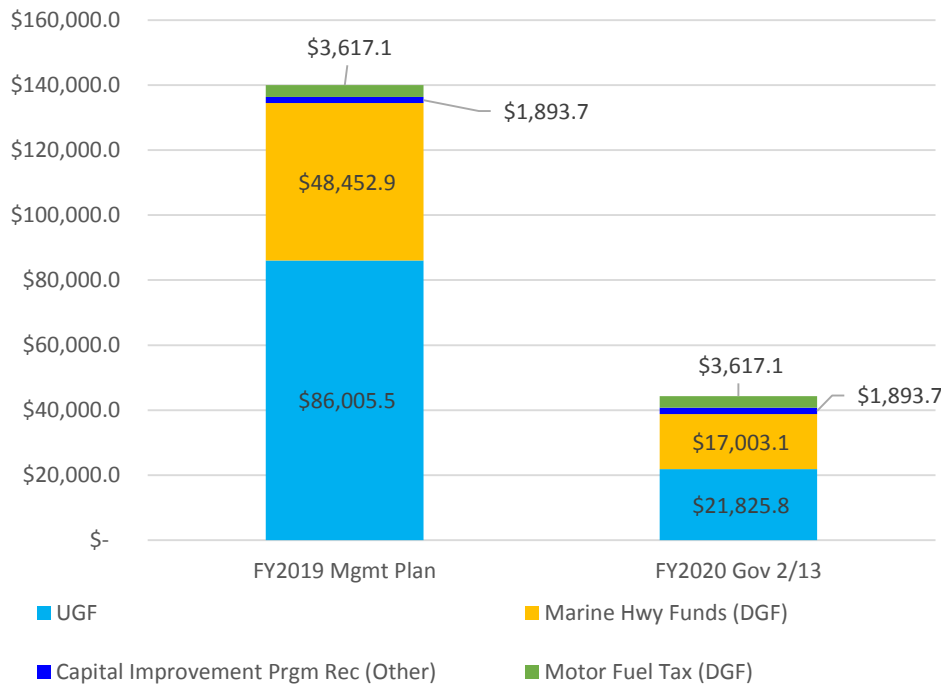
March 12, 2019

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

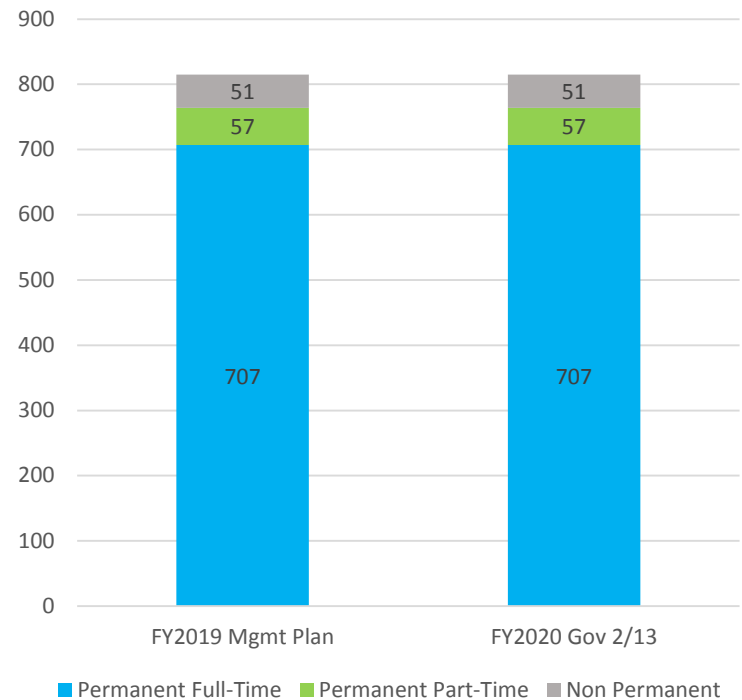
## Fund Source & Position Comparisons: Alaska Marine Highway System

Alaska Marine Highway System Transition (-\$97,988.8 GF)  
 (-\$64,179.7 UGF; -\$33,809.1 DGF)

**Funding Comparison**  
 (\$ Thousands)

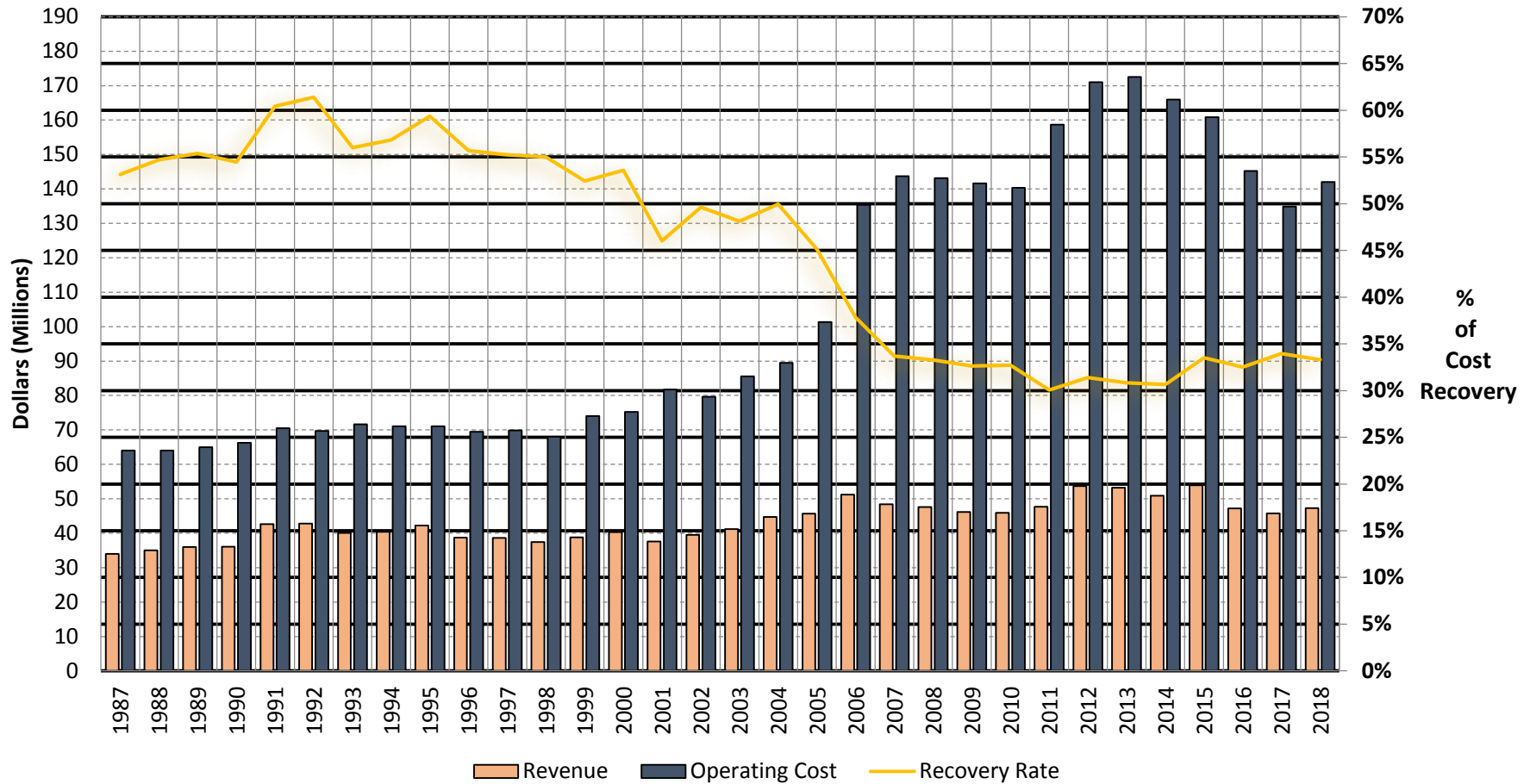


**Budgeted Position Comparison**

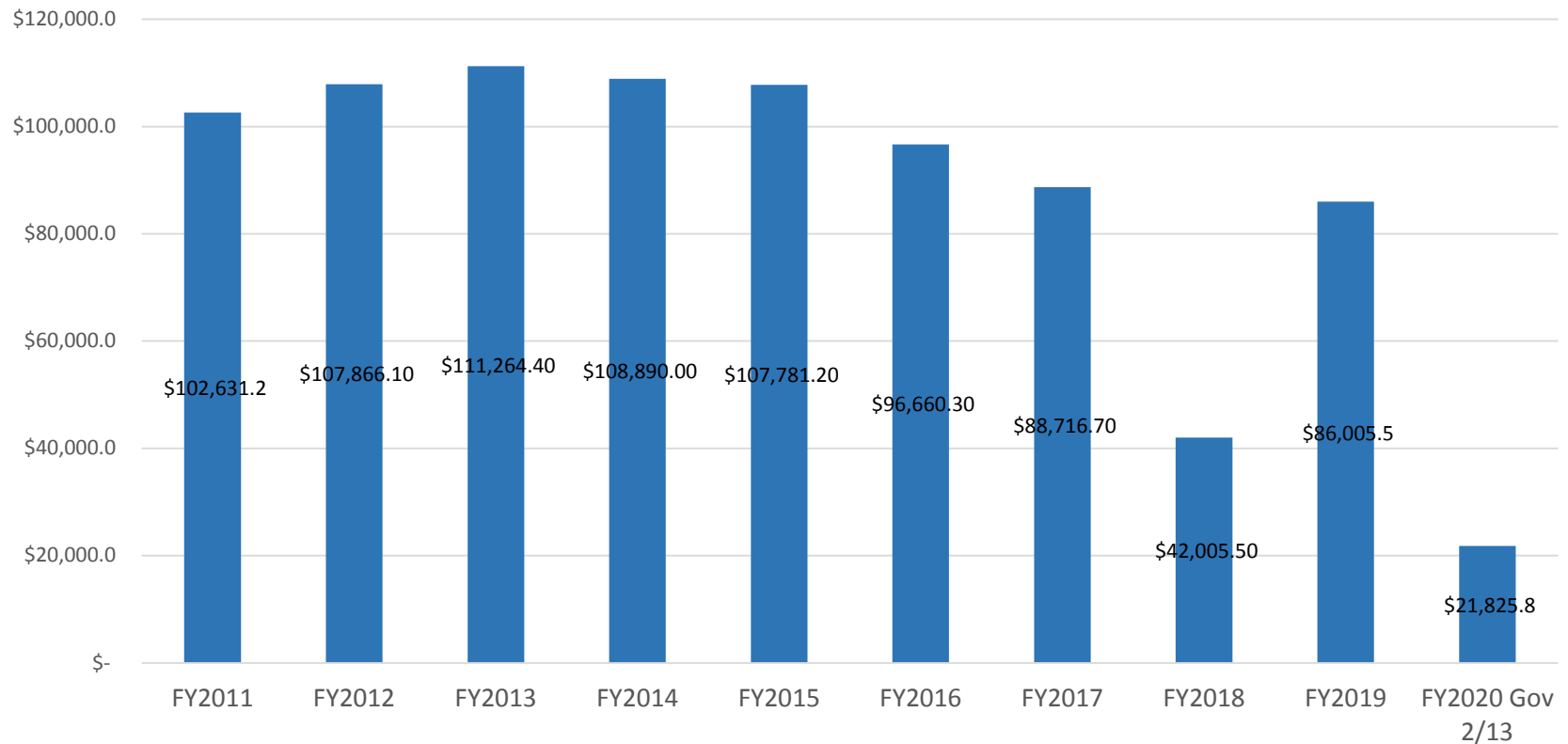


# Historical Revenue & Operating Cost: Alaska Marine Highway System

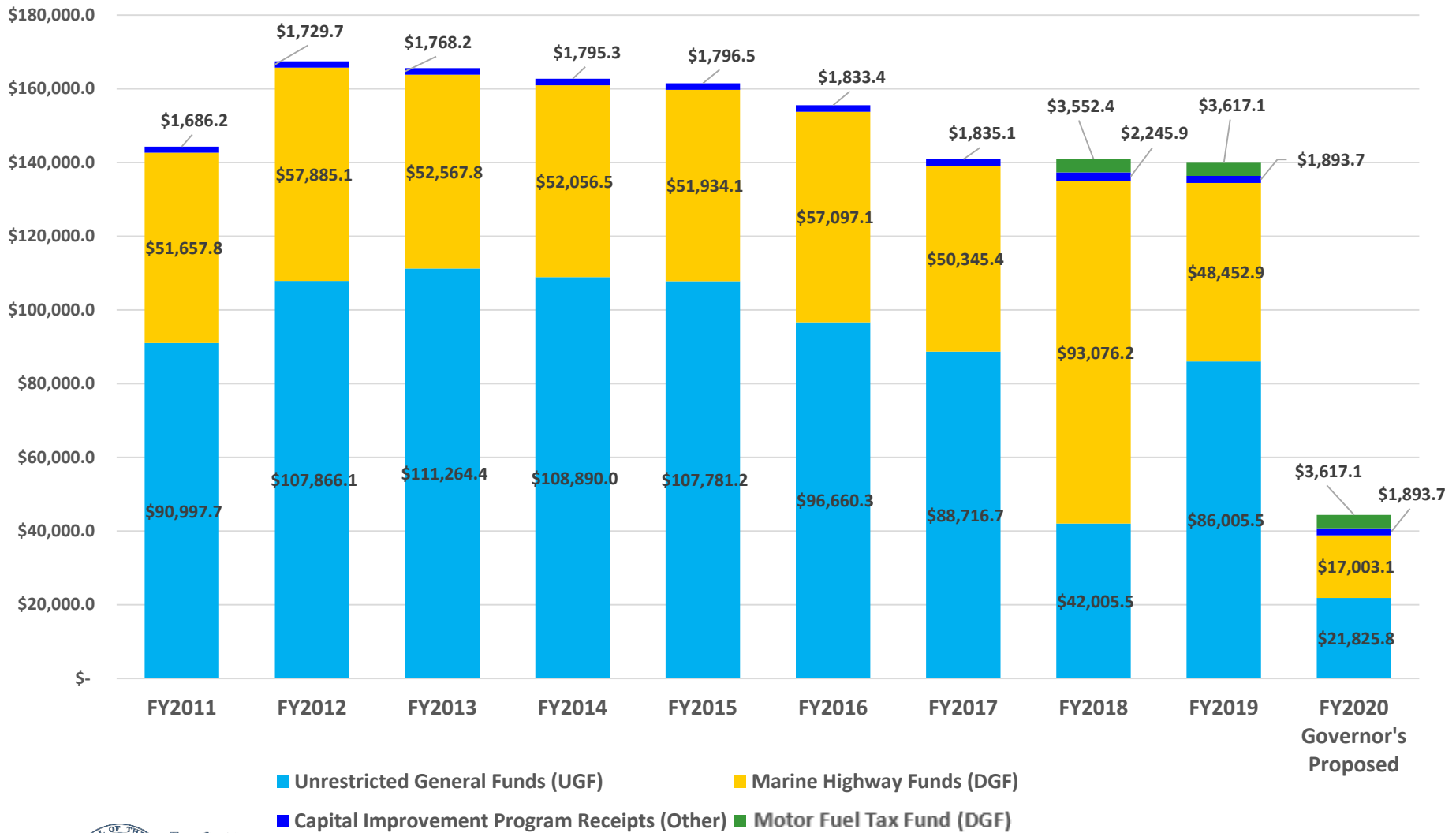
## AMHS Fare Box Recovery Rate 1987-2018



## Unrestricted General Fund: 10 Year Authorization Look Back - Alaska Marine Highway System



## All Funds: 10 Year Authorization Look Back - Alaska Marine Highway System



(\$ Thousands)

## Governor's Directive Update: **Alaska Marine Highway System**

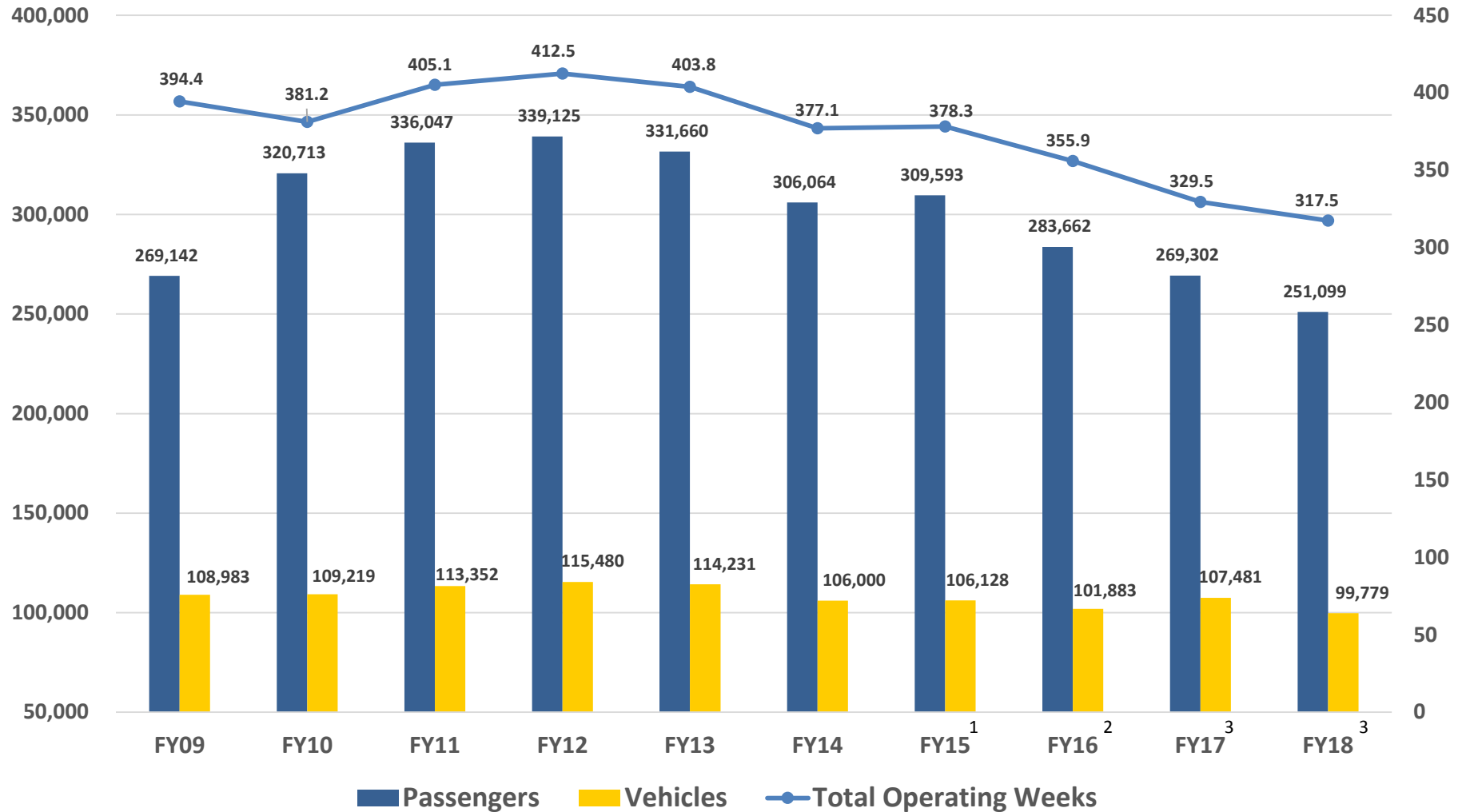
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<b>March 1</b>	Issued Informal Request for Proposal
<b>March 11</b>	Deadline for Receipt of Proposals
<b>March 18</b>	SOA Issues Notice to Award
<b>March 19</b>	SOA Issues Contract and Performance Begins
<b>May 15</b>	Consultant Preliminary Recommendations
<b>June 7</b>	Consultant Preliminary Draft Report
<b>June 14</b>	DOT&PF Comments Due to Consultant
<b>July 5</b>	Consultant Final Draft Due
<b>July 12</b>	DOT&PF Final Comments Due to Consultant
<b>July 31</b>	Consultant Final Report to DOT&PF
<b>Contract Budget</b>	\$60,000 - \$90,000

IRFP Link: <https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=193267>



# Annual Ridership Volume and Total Operating Weeks FY2009 – FY2018



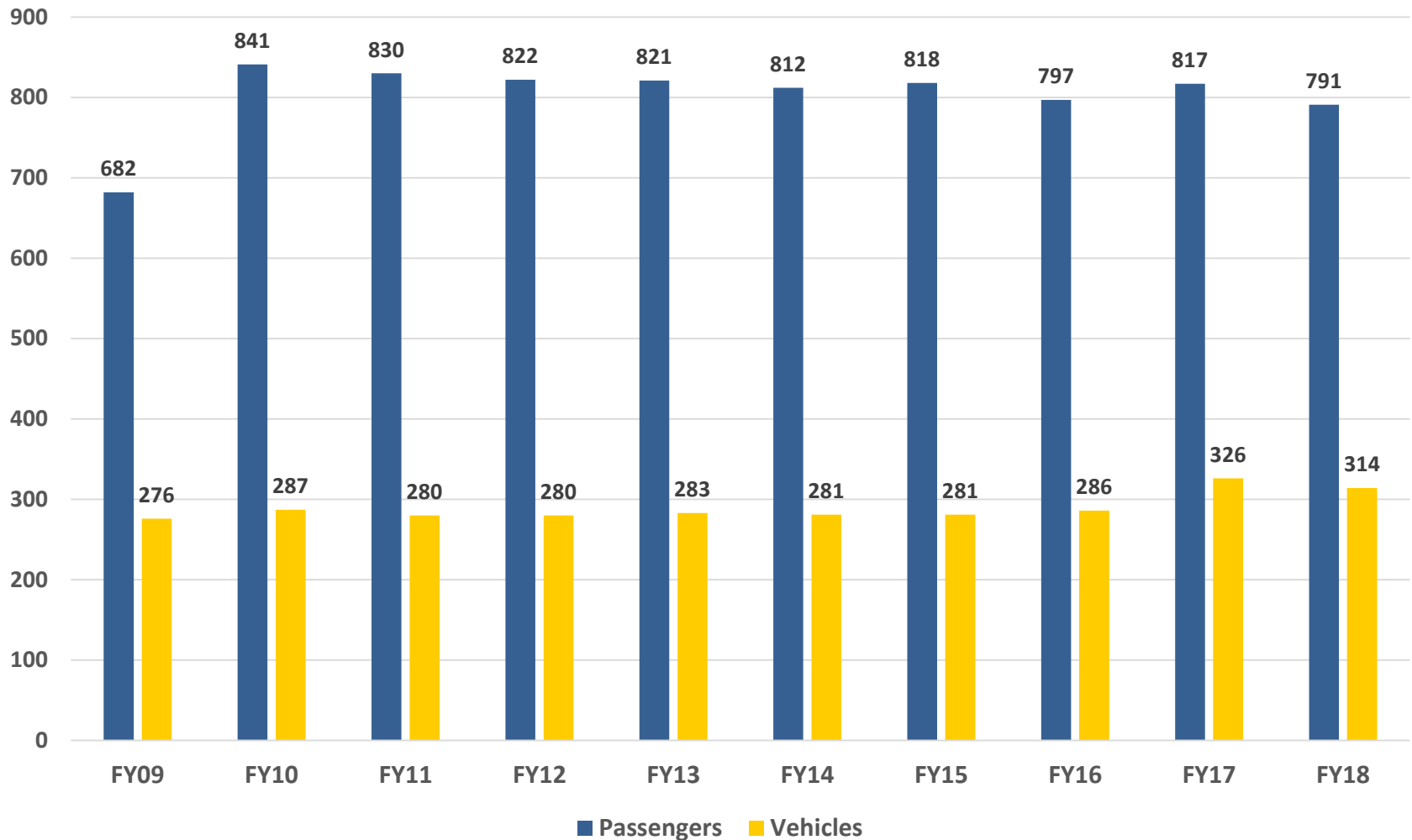
<sup>1</sup> 4.5% Across the board tariff increase.

<sup>2</sup> 20.0% Commercial tariff increase, 5.0% leveling tariff increase, first annual tariff leveling, 10.0% Bellingham tariff premium implemented.

<sup>3</sup> Annual variable leveling tariff increase.



# Average Ridership Per Operating Week FY2009 – FY2018

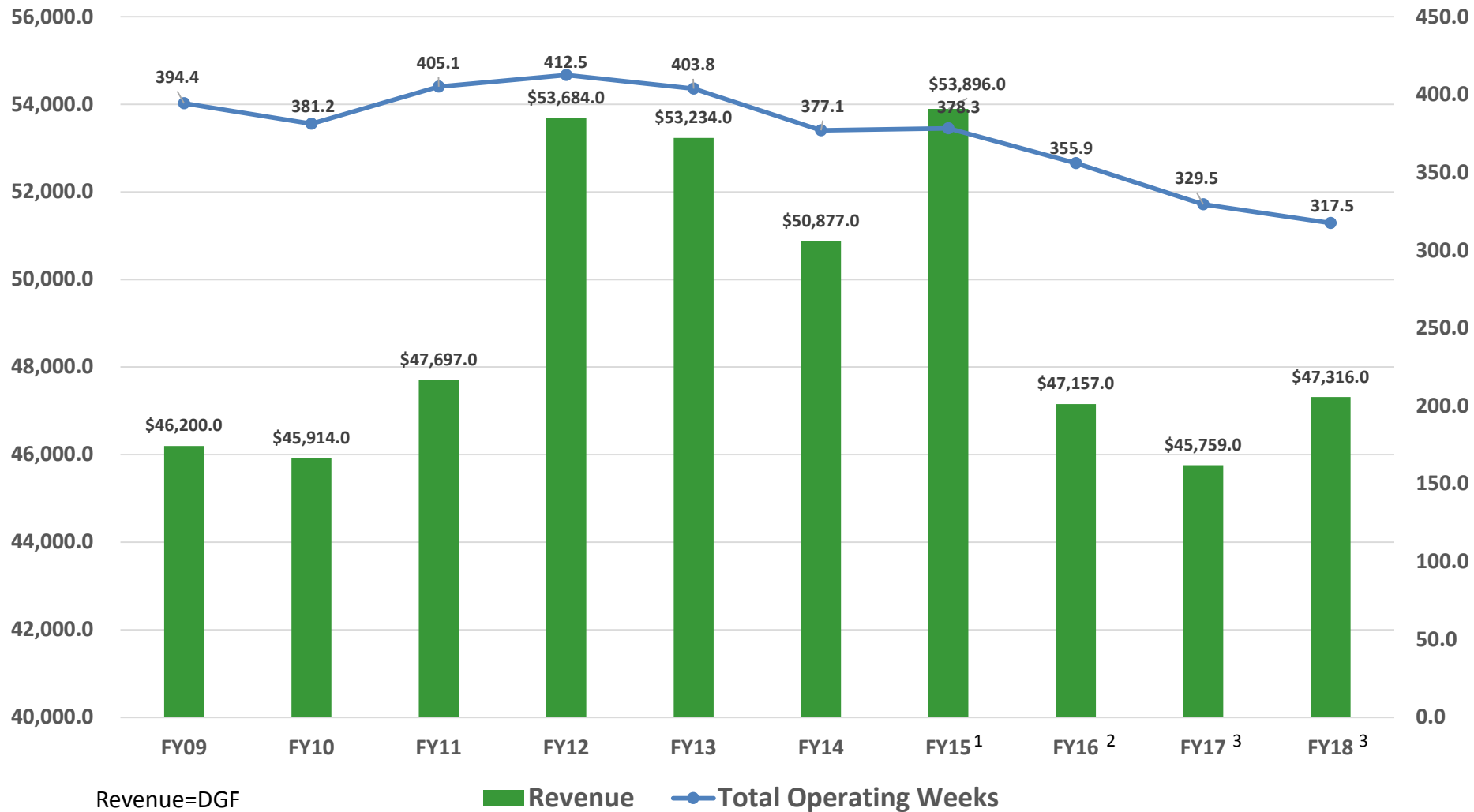


Annual ridership volume / total operating weeks  
= average ridership per operating week

# Total Annual Revenue and Operating Weeks

## FY2009 – FY2018

(\$ Thousands)



<sup>1</sup> 4.5% Across the board tariff increase.

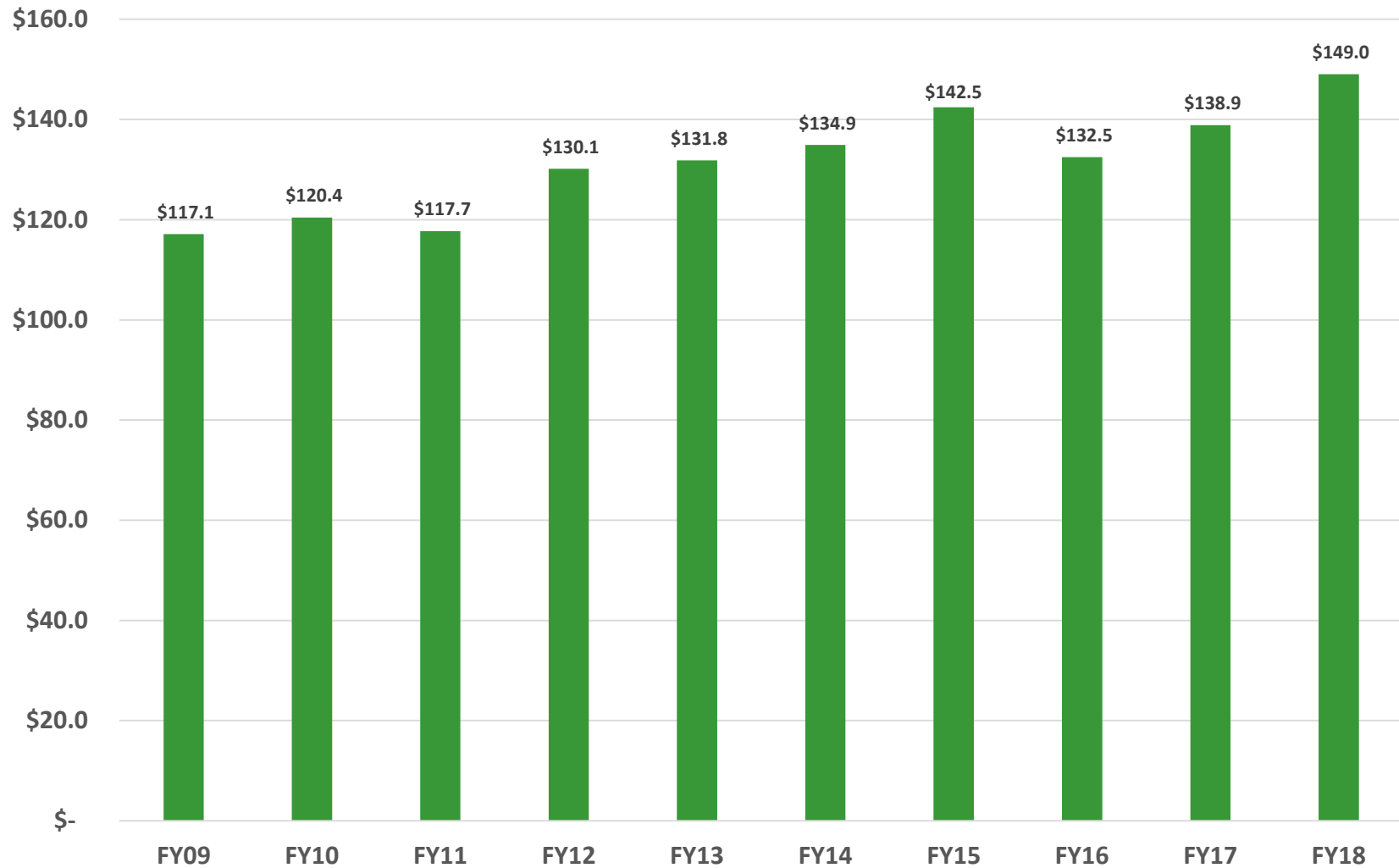
<sup>2</sup> 20.0% Commercial tariff increase, 5.0% leveling tariff increase, first annual tariff leveling, 10.0% Bellingham tariff premium implemented.

<sup>3</sup> Annual variable leveling tariff increase.

# Revenue Per Operating Week

## FY2009 – FY2018

(\$ Thousands)



Revenue=DGF

Total annual revenue / total operating weeks =  
revenue per operating week



# FY2020 Governor's 2/13 Budget

**Published summer schedule remains intact through the end of August**

**September 1, 2019 through September 30, 2019, operate:**

- Matanuska and Malaspina on their Bellingham and SE Alaska runs
- Tazlina in Northern Lynn Canal
- Lituya from Ketchikan – Annette Bay
- No service to Homer, Kodiak, Aleutian Chain, Whittier, Cordova, Valdez, Chenega Bay, Tatitlek, Yakutat, Prince Rupert, Angoon, Tenakee, Pelican, Hoonah, and Gustavus

**October 1, 2019, through June 30, 2020:**

- No Service

**This schedule provides 84.8 weeks of service with a potential fare box recovery rate of 40%.**

**UGF: \$21,825.8**

**DGF\*: \$17,869.3 (Revenues)**

**Motor Fuel Tax Fund: \$3,617.1**

**CIP Receipts: \$1,893.7**

\*Includes DOT&PF Support Services

**Expenditure Authorization: \$45,205.9**

**Generated Revenue: \$17,869.3**

**Net Deficit Amount: (\$27,336.6)**

# FY2020 AMHS Scenario 1

## Add Oct-June not Servicing all Ports

**Published summer schedule remains intact through the end of August**

**September 1, 2019 through September 30, 2019, operate:**

- Matanuska and Malaspina on their Bellingham and SE Alaska runs
- Kennicott on the Bellingham – Whittier Cross-gulf run
- Tustumena on the Homer-Kodiak/Aleutian Chain run
- Tazlina in Northern Lynn Canal
- Lituya from Ketchikan – Annette Bay
- **No service to Angoon, Tenakee, and Pelican**

**October 1, 2019 through March 31, 2020, operate:**

- Matanuska on the Bellingham run
- Tustumena on the Homer – Kodiak and Prince William Sound (further vetting needed)
- Tazlina in Northern Lynn Canal
- Lituya from Ketchikan – Annette Bay
- **No service to Prince Rupert, Angoon, Tenakee, and Pelican**

**April 1, 2020, through June 30, 2020:**

- Matanuska and Malaspina on the Bellingham run
- Kennicott on the Juneau – Whittier Cross-gulf run
- Tustumena on the Homer-Kodiak/Aleutian Chain run
- Hubbard in Prince William Sound
- Tazlina in Northern Lynn Canal
- Lituya from Ketchikan – Annette Bay
- **No Service to Prince Rupert, Angoon, Tenakee, and Pelican**

**This schedule provides 268.8 weeks of service with a potential fare box recovery rate of 50%. The Kennicott, Aurora, and Malaspina will not be operating during the winter. The Matanuska will operate in the place of the Columbia after her repower project.**

Note: There will be gaps in service while the vessels undergo their required annual COI overhauls.

**UGF: \$40,883.9**

**DGF\*: \$46,958.9 (Revenues)**

**Motor Fuel Tax Fund: \$3,617.1**

**CIP Receipts: \$1,893.7**

\*Includes DOT&PF Support Services

**Expenditure Authorization: \$93,353.6**

**Generated Revenue: \$46,958.9**

**Net Deficit Amount: (\$46,394.7)**



# FY2020 AMHS Scenario 2

## Add Oct-June Servicing all Alaska Ports

**Published summer schedule remains intact through the end of August**

**September 1, 2019 through September 30, 2019, operate:**

- Matanuska and Malaspina on their Bellingham and SE Alaska runs
- Kennicott on the Bellingham – Whittier Cross-gulf run
- Tustumena on the Homer-Kodiak/Aleutian Chain run
- LeConte on the SE Alaska Panhandle run
- Tazlina in Northern Lynn Canal
- Lituya from Ketchikan – Annette Bay

**October 1, 2019 through March 31, 2020, operate:**

- Matanuska on the Bellingham run
- Tustumena on the Homer – Kodiak and Prince William Sound (further vetting needed)
- LeConte in Northern Lynn Canal and SE Panhandle
- Lituya from Ketchikan – Annette Bay
- **No service to Prince Rupert**

**April 1, 2020, through June 30, 2020:**

- Matanuska and Malaspina on the Bellingham run
- Kennicott on the Juneau – Whittier Cross-gulf run
- Tustumena on the Homer-Kodiak/Aleutian Chain run
- LeConte on the SE Panhandle run
- Hubbard in Prince William Sound
- Tazlina in Northern Lynn Canal
- Lituya from Ketchikan – Annette Bay
- **No service to Prince Rupert**

**This schedule provides 281.8 weeks of service with a potential fare box recovery rate of 45%. The Kennicott, Aurora, and Malaspina will not be operating during the winter. The Matanuska will operate in the place of the Columbia after her repower project.**

Note: There will be gaps in service while the vessels undergo their required annual COI overhauls.

**UGF: \$48,749.9**

**DGF\*: \$44,055.6 (Revenues)**

**Motor Fuel Tax Fund: \$3,617.1**

**CIP Receipts: \$1,893.7**

\*Includes DOT&PF Support Services

**Expenditure Authorization: \$98,316.3**

**Generated Revenue: \$44,055.6**

**Net Deficit Amount: (\$54,260.7)**



# FY20XX AMHS Scenario 3

## Full Year Servicing all Alaska Ports

UGF=DGF

### July 1 through September 30, and April 1 through June 30, operate:

- Matanuska and Malaspina on the Bellingham run
- Kennicott on the Juneau – Whittier Cross-gulf run
- Tustumena on the Homer-Kodiak/Aleutian Chain run
- LeConte on the SE Alaska Panhandle run
- Tazlina in Northern Lynn Canal
- Hubbard in Prince William Sound
- Lituya from Ketchikan – Annette Bay
- No service to Prince Rupert

### October 1 through March 31, operate:

- Matanuska on the Bellingham run
- Tustumena on the Homer – Kodiak and Prince William Sound (further vetting needed)
- LeConte in Northern Lynn Canal and SE Panhandle
- Lituya from Ketchikan – Annette Bay
- No service to Prince Rupert

**This schedule provides 286.6 weeks of service with a potential fare box recovery rate of 47%. The Kennicott, Aurora, and Malaspina will not be operating during the winter. The Matanuska will operate in the place of the Columbia after her repower project.**

Note: There will be gaps in service while the vessels undergo their required annual COI overhauls.

**UGF: \$48,729.4**

**DGF\*: \$48,938.2 (Revenues)**

**Motor Fuel Tax Fund: \$3,617.1**

**CIP Receipts: \$1,893.7**

\*Includes DOT&PF Support Services

**Expenditure Authorization: \$103,178.4**

**Generated Revenue: \$48,938.2**

**Net Deficit Amount: (\$54,240.2)**



# Scenario Comparison

	FY2020 Governor 2/13 Budget		FY2020 Scenario 1 Add Oct-June Not Servicing all Ports		FY2020 Scenario 2 Add Oct-June Servicing all AK Ports		FY20XX Scenario 3 Full Year Servicing all AK Ports
<b>July - August</b>	Operate current published schedule		Operate current published schedule		Operate current published schedule		Operate revised schedule
<b>September</b>	No service in SW Alaska, Prince William Sound, Prince Rupert, and SE Alaska Villages		No service to Angoon, Tenakee, and Pelican		Some service to all ports		Some service to all ports except Prince Rupert
<b>October - March</b>	No service		No service to Prince Rupert, Angoon, Tenakee, and Pelican		Some service to all ports except Prince Rupert		Some service to all ports except Prince Rupert
<b>April - June</b>	No service		No service to Prince Rupert, Angoon, Tenakee, and Pelican		Some service to all ports except Prince Rupert		Some service to all ports except Prince Rupert
<b>Service Weeks</b>	84.8		268.8		281.8		286.6
<b>Fare Box Recovery</b>	40%		50%		45%		47%
<b>Funding Sources</b>	UGF: \$ 21,825.8 DGF: 17,869.3 Motor Fuel Tax: 3,617.1 CIP Rcpts: 1,893.7 Total: \$ 45,205.9		UGF: \$ 40,883.9 DGF: 46,958.9 Motor Fuel Tax: 3,617.1 CIP Rcpts: 1,893.7 Total: \$ 93,353.6		UGF: \$ 48,749.9 DGF: 44,055.6 Motor Fuel Tax: 3,617.1 CIP Rcpts: 1,893.7 Total: \$ 98,316.3		UGF: \$ 48,729.4 DGF: 48,938.2 Motor Fuel Tax: 3,617.1 CIP Rcpts: 1,893.7 Total: \$ 103,178.4
<b>Net Deficit Amount</b>	(\$27,336.6)		(\$46,394.7)		(\$54,260.7)		(\$54,240.2)



# 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
- May 1, 2019:** Implemented fourth and fifth variable leveling tariff increases




# Thank You

**Mary Siroky**  
**DOT&PF Deputy Commissioner**  
(907) 465-3900  
[Mary.Siroky@alaska.gov](mailto:Mary.Siroky@alaska.gov)

**Matt McLaren**  
**AMHS Business Enterprise &  
Development Manager**  
(907) 228-7274  
[Matt.McLaren@alaska.gov](mailto:Matt.McLaren@alaska.gov)

**Amanda Holland**  
**OMB Management Director**  
(907) 465-1233  
[Amanda.Holland@alaska.gov](mailto:Amanda.Holland@alaska.gov)



*Clear day aboard M/V Aurora crossing the Prince William Sound. Photo by Alex Surnin, Alaska DOT&PF*

