



Alaska Marine Highway

Commitment, Consistency, Customer Service

Joint Senate/House Transportation Committee, February 2010

The Three C's



Commitment

- to an early schedule release
- to operating within the budget framework

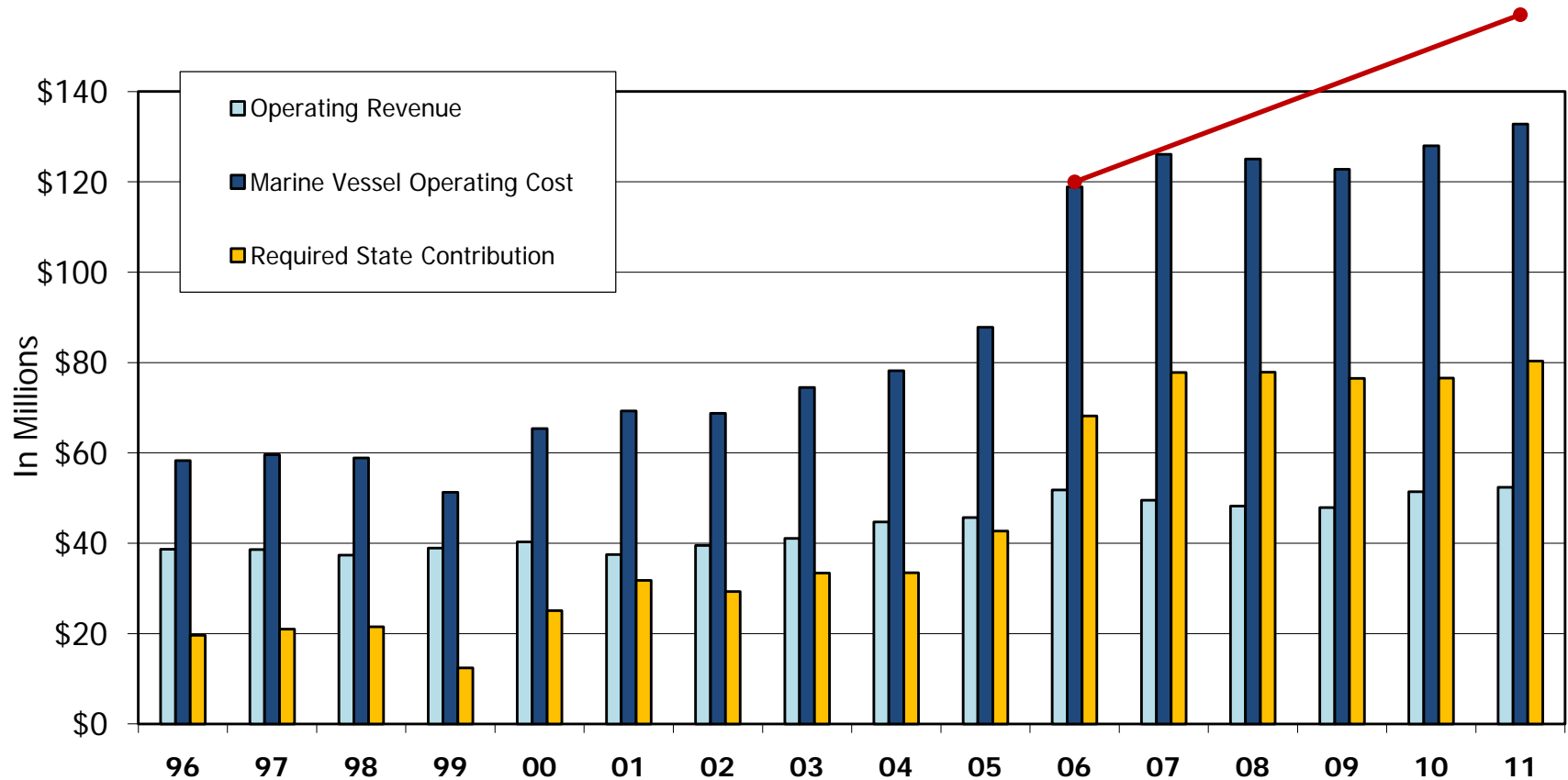
Consistency

- 3 year plan to provide consistent service levels, started FY2009

Customer Service

- Continued improvement of customer service levels
 - AMHS has maintained a 96% customer satisfaction rate since 2006
 - Currently 92% of AMHS departures are on-time
- Continue marketing outreach through pricing and promotions to increase year-round ridership on all vessels to all ports

Vessel Operation Cost by Fiscal Year



*includes estimated fuel trigger to bring fuel price to '09 actual

a: FY '10 Budget b: FY '11 Proposal

*a

*b

Improvements to AMHS



Cost Savings Improvements

- Fuel Efficiency Systems

Efficiency Improvements

- Satellite Communication System
- New Reservation and Point of Sale Systems
 - will streamline operations and provide real-time information

Customer Service Improvements

- Terminal Improvements
- Update customer service Policies and Procedures Manual
- New Reservation and Point of Sale Systems
 - will provide an improved user experience online

New Vessel Construction

- Alaska Class Ferry

Fuel Efficiency Systems



Power-management fuel-savings systems are currently installed on the Aurora, Tustumena and Matanuska and are providing a 10-14% fuel savings.

- Winter 2009-2010 installing these systems on the Columbia and Kennicott
- Winter 2010-2011 the systems will be installed on the Taku and LeConte

Satellite Communications



We continue with the installation of satellite communication hardware aboard the vessels

- anticipate that by Summer 2010, we will have 7 vessels up-and-running with a new broadband service provider
 - Malaspina, Matanuska, Columbia, Kennicott, Aurora, Tustumena, Lituya
- This service will provide satellite communications for the vessel in Phase 1 and internet connections for shipboard passengers using laptops & smart phones in Phase 2
- Going forward; we will continue installing satellite hardware on vessels, LeConte and Taku will have equipment installed in the coming year

New Reservations System



Phase I: Business Process Review

- Completed May 2009
- Identified technology gaps and needs to be addressed before moving forward

Phase II: Review of AMHS Customer Service

- Completed April 2010
- Organizational restructure of customer service departments
- Restructure of Policies and Procedures manual
- Integrates new and updated procedures relating to reservations, manifesting, ticketing and customer related functions on vessels and in terminals

Phase III: Begin Acquisition of New Reservations and Point of Sale Software

Terminal Improvements



Angoon

- New dock facility to accommodate LeConte and Fairweather class vessels
- Terminal Improvements
- To be completed December 2010

Annette Bay

- New docking facility to accommodate Lituya and Prince of Wales class vessels
- To be completed Fall 2010

Hoonah

- Uplands and new terminal, to be completed September 2010
- New docking structures, to be completed February 2011

Alaska Class Ferry



Preliminary Design Phase is complete as of 12/31/09

- Preliminary profile and arrangement drawing
- Propulsion validation study to support a 99% reliability level

Final Design Phase

- Developing RFP to bring on a shipyard to assist with the final design details by mid-March 2010
- Final design will be complete Summer 2010

Southwest Traffic



Even in a down economy year, passenger and vehicle traffic in Southwest Alaska increased from 2008 to 2009

- Southwest Alaska:
 - 4% passenger traffic increase
 - 11% vehicle traffic increase
- Kodiak
 - 11% passenger traffic increase
 - 18% vehicle traffic increase
- Cordova
 - 10% passenger traffic increase
 - 17% vehicle traffic increase

Focus on 2011



2011 will be the third year of a 3 year commitment to standardize our ferry service

Install fuel efficiency improvement on the following vessels:

- MV Taku
- MV LeConte

Install satellite communication hardware on the following vessels:

- MV Taku
- MV LeConte

Safety and crew training are AMHS priorities

- we will continue to install state-of-the-art passenger evacuation systems aboard our vessels

Focus on 2011



Continue to enhance awareness of AMHS as a unique Alaskan travel experience to both residents and visitors.

- 11.2 million potential customers reached in FY 2009

Move forward with newer, more cost efficient technologies for communicating with current and potential customers

- Over 460,000 visitors to FerryAlaska.com in FY 2009