



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Transportation and
Public Facilities

OFFICE OF THE COMMISSIONER
Marc Luiken, Commissioner

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February 21, 2018

The Honorable Neal Foster
Alaska House of Representatives
State Capitol Building, Room 410
Juneau, Alaska 99801

Dear Representative Foster:

In response to a question posed on February 9, 2018 the following information is provided:

➤ ***Is there a way to calculate the cost of the Alaska Marine Highway System for the first three months/first quarter of the fiscal year?***

- For FY2014-FY2018, AMHS has averaged \$31M in total expenditures in the first quarter of each fiscal year
- AMHS revenue is typically between \$45M and \$50M annually – the majority of the revenue is received May-September
- \$31M for the first quarter would allow the AMHS to operate and would sustain the cash reserve
- Stable funding through the busy summer season allows AMHS to generate more revenue
 - AMHS can publish the sailing schedule without any caveats about being subject to change due to budget year
 - Customers believe the schedule is more reliable and therefore, are more willing to purchase tickets (tour groups often purchase tickets one or more years in advance)

If you have any further questions, please feel free to contact me at 465-3906.

Sincerely,

A handwritten signature in blue ink, appearing to read "Amanda Holland".

Amanda Holland
Acting Deputy Commissioner

cc: John Binder, Deputy Commissioner
Sunny Haight, Acting Director, Administrative Services
Mike Lesmann, Legislative Liaison
Mark Luiken, Commissioner
House Finance Subcommittee Members