



# **Alaska Department of Transportation & Public Facilities**

## **House Finance Subcommittee Alaska Marine Highway System**

Rob Carpenter, Deputy Commissioner

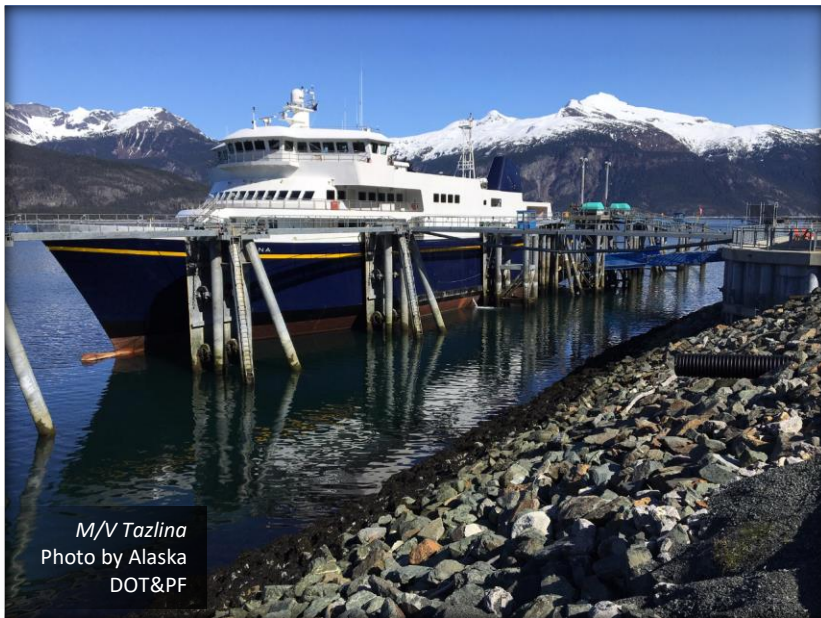
Dom Pannone, Administrative Services Director

Matt McLaren, AMHS Business Development Manager

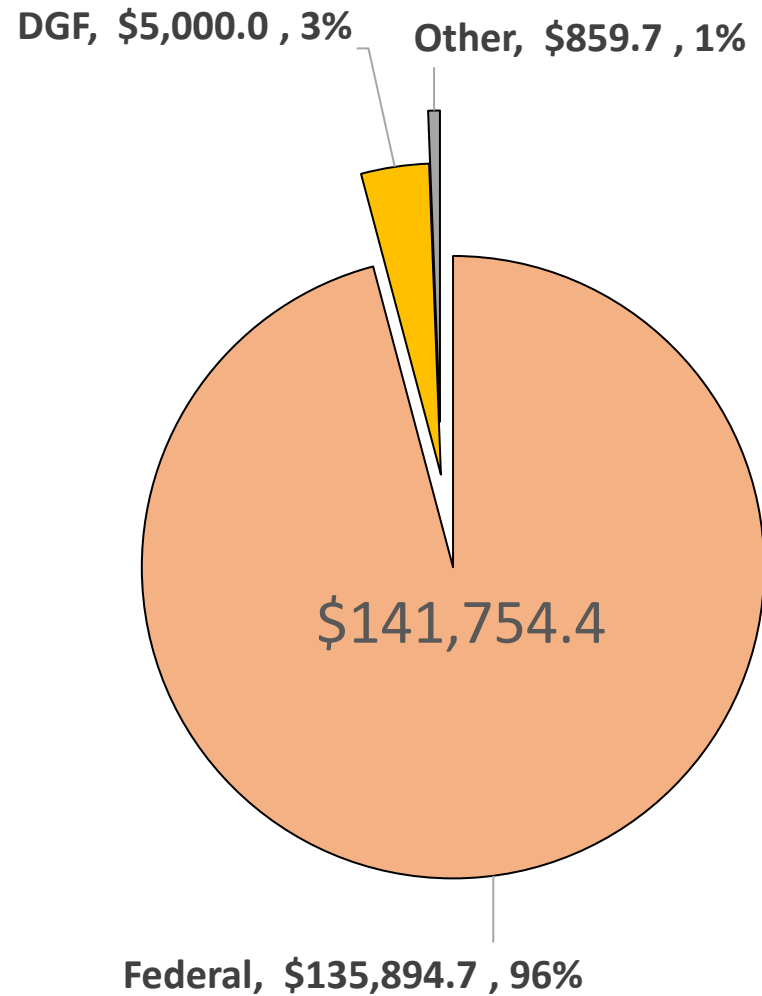
February 3, 2022

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

# FY2023 Governor's Proposed



All ships, all the time.

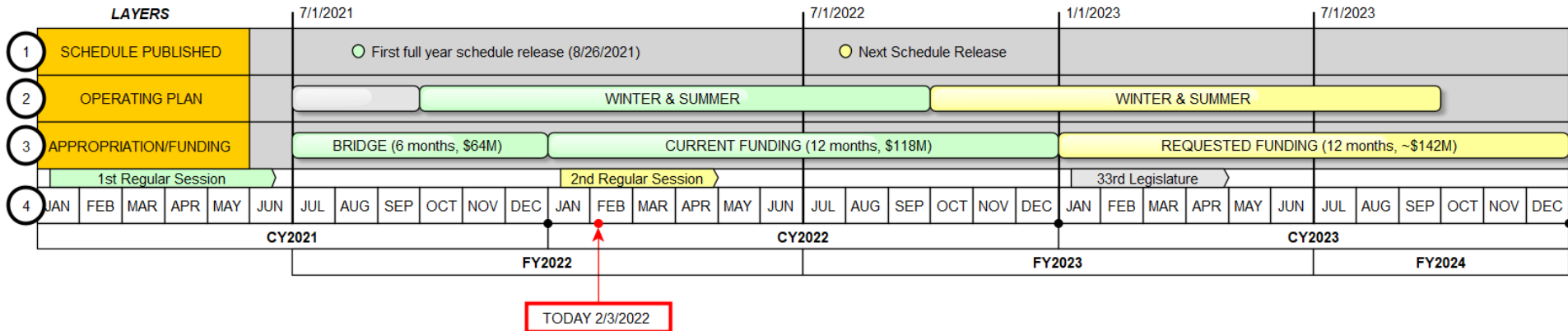


\$ in Thousands (1,000)

# Forward Funded Budget Structure



## AMHS OPERATIONAL LAYERS



# FY2023 Governor's Proposed Budget



|                             | FY2019 Final<br>Authorized | FY2020 Final<br>Authorized | FY2021 Final<br>Authorized | FY2022<br>Management<br>Plan | FY2023<br>Governor's<br>Proposed<br>Budget | Δ         | Δ%   |
|-----------------------------|----------------------------|----------------------------|----------------------------|------------------------------|--|-----------|------|
| Planned Weeks of Service    | 345.9                      | 254.3                      | 286.7                      | 249.5                        | 362.7                                      | 113.2     | 45%  |
| Planned Port Calls          | 5,914                      | 4,399                      | 4,959                      | 4,166                        | 6,311                                      | 2,145     | 51%  |
| Projected Revenue           | \$ 51,697.6                | \$ 48,070.2                | \$ 51,779.1                | \$ 53,365.1                  | \$ 53,314.8                                | \$ (50.3) | 0%   |
| Projected Fare Box Recovery | 36%                        | 48%                        | 47%                        | 43%                          | 37%  | (6)       | -14% |

## Fund Source

|                                    |             |             |             |              |              |                |       |
|------------------------------------|-------------|-------------|-------------|--------------|--------------|----------------|-------|
| Unrestricted General Funds (UGF)   | \$ 86,005.5 | \$ 46,002.2 | \$ 54,011.0 | \$ 63,401.6  | \$ -         | \$ (63,401.6)  | -100% |
| Designated General Funds (DGF)     | \$ 52,070.1 | \$ 55,492.6 | \$ 53,151.4 | \$ 5,425.7   | \$ 5,000.0   | \$ (425.7)     | -8%   |
| Other                              | \$ 2,167.7  | \$ 8,071.3  | \$ 2,150.0  | \$ 1,308.3   | \$ 859.7     | \$ (448.6)     | -34%  |
| Federal- Relief Funding            | \$ -        | \$ -        | \$ 1,122.4  | \$ 112,768.0 | \$ -         | \$ (112,768.0) | -100% |
| Federal Funds (Including IIJA/BIL) | \$ -        | \$ -        | \$ -        | \$ -         | \$ 135,894.7 | \$ 135,894.7   | 100%  |

|                        |                     |                     |                     |                     |                     |                      |             |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|-------------|
| <b>Operating Total</b> | <b>\$ 140,243.3</b> | <b>\$ 109,566.1</b> | <b>\$ 110,434.8</b> | <b>\$ 182,903.6</b> | <b>\$ 141,754.4</b> | <b>\$ (41,149.2)</b> | <b>-22%</b> |
|                        |                     |                     |                     | <b>\$ 118,667.5</b> |                     | <b>\$ 23,086.9</b>   | <b>19%</b>  |

AMHS less Forward Funding

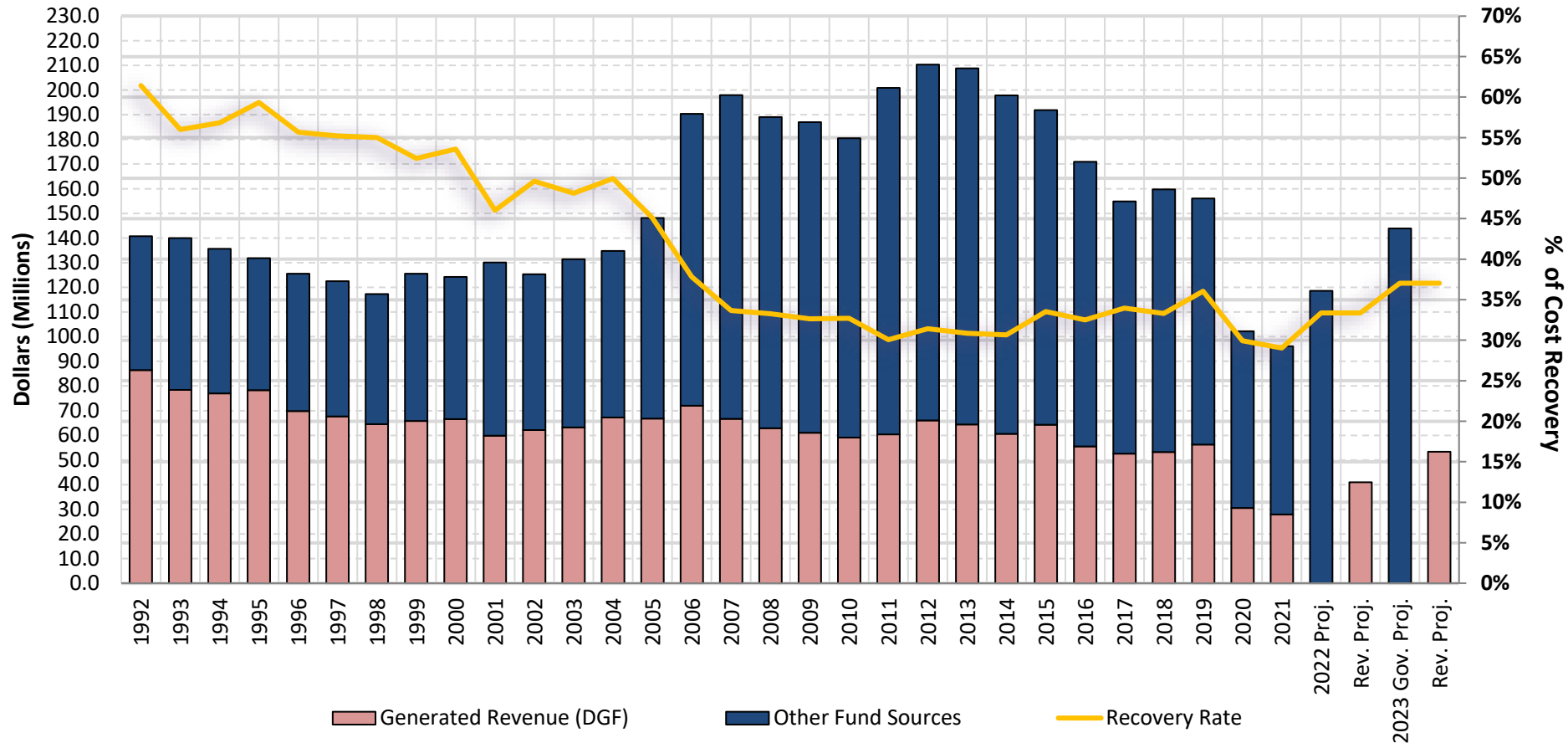
\$ in Thousands (1,000)





# Historical Revenues and Operating Costs

## AMHS Fare Box Recovery Rate 1992-2023 Gov.



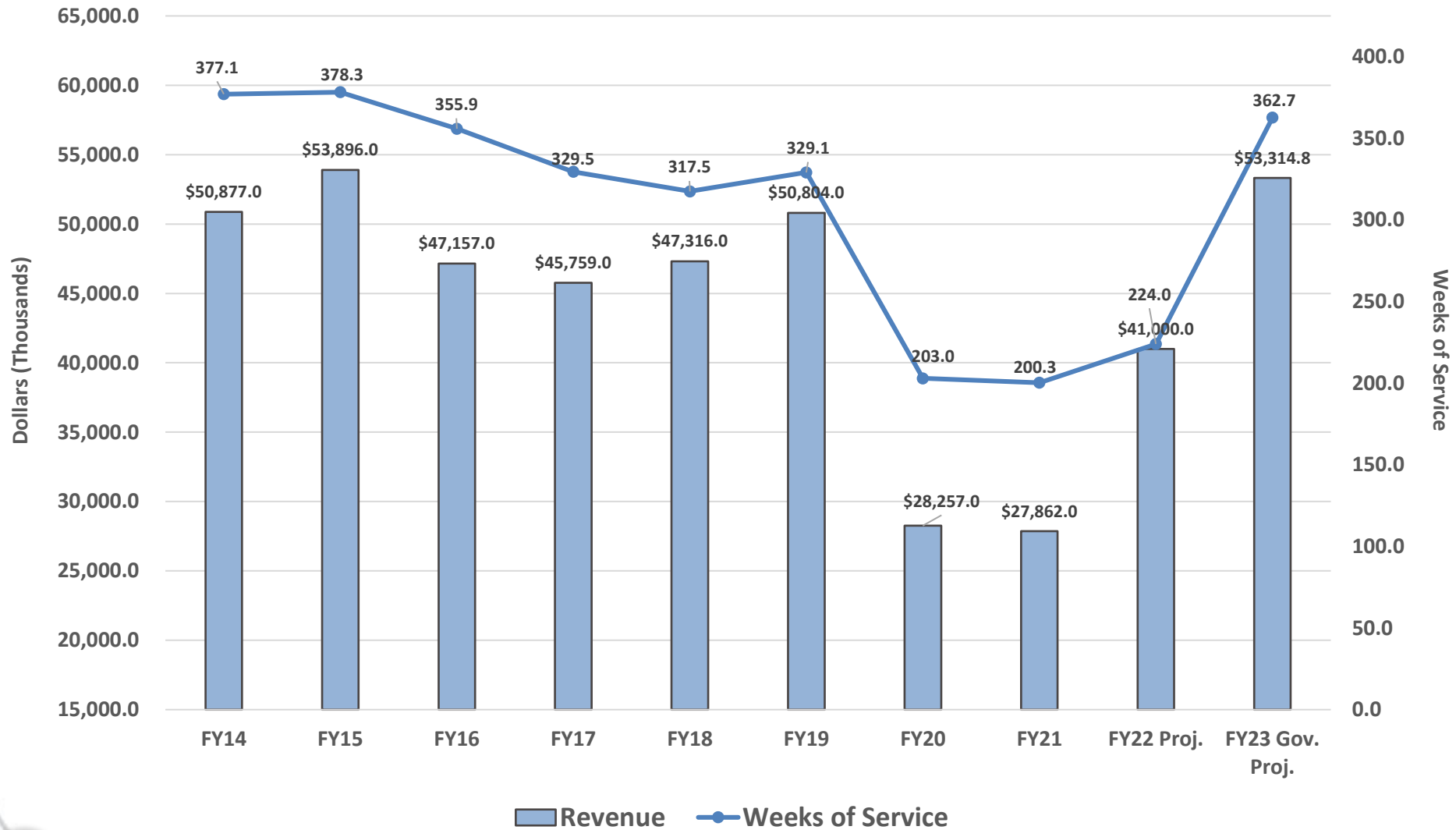
### Significant Cost Increases

- FY2004 – FY2007: Added the FVF Fairweather and FVF Chenega. Vessel wage increases of 6%, 7%, and 8%.
- FY2012 – FY2013: Added ports and increased operating weeks

Note: Data is adjusted for inflation to 2021 values. Source: U.S. Bureau of Labor Statistics Consumer Price Index.



# AMHS Revenue & Weeks of Service FY2014 – FY2023

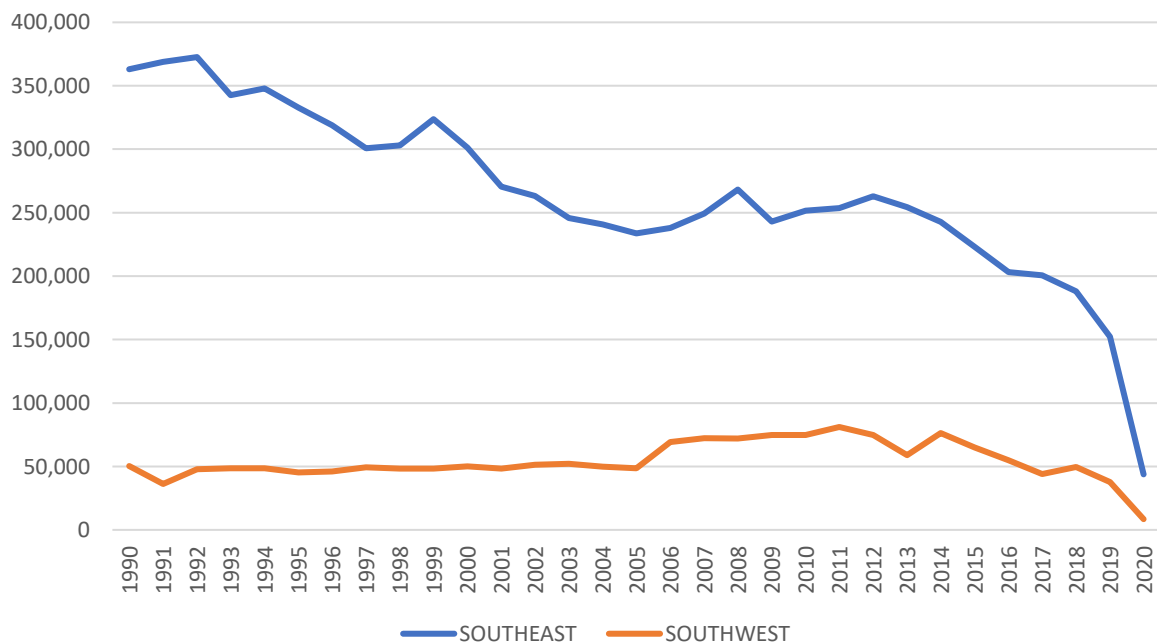


\$ in Thousands (1,000)



# Statistical Information: Passengers

Passengers by Region

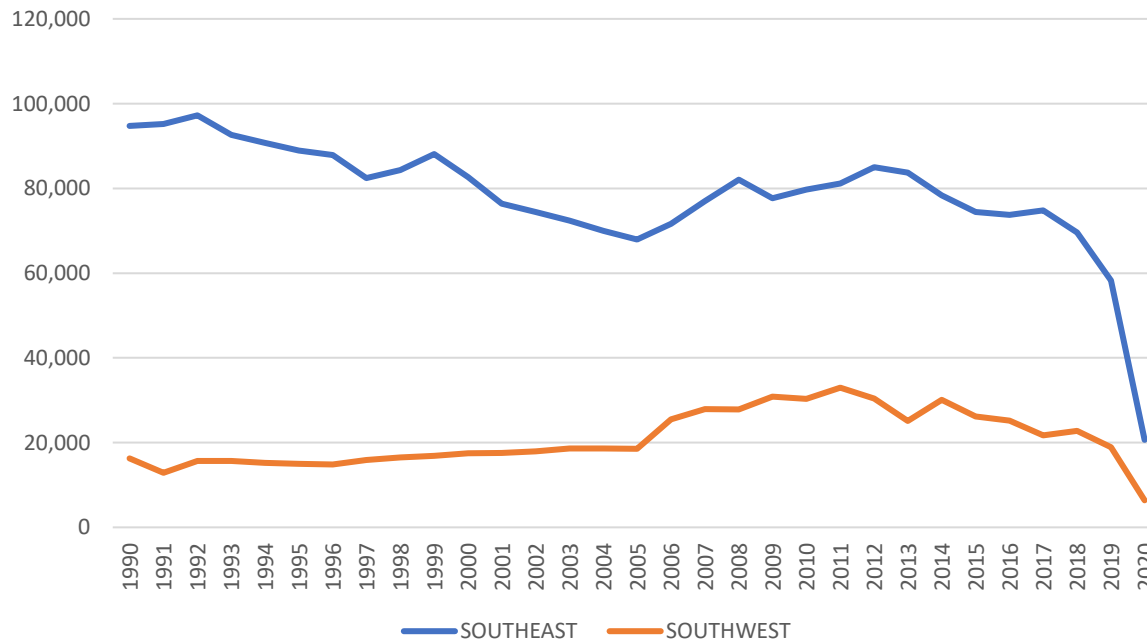


| YEAR | SOUTHEAST | SOUTHWEST | TOTAL   |
|------|-----------|-----------|---------|
| 1990 | 363,122   | 50,271    | 413,393 |
| 1991 | 368,780   | 36,248    | 405,028 |
| 1992 | 372,680   | 47,756    | 420,436 |
| 1993 | 342,613   | 48,678    | 391,291 |
| 1994 | 347,998   | 48,545    | 396,543 |
| 1995 | 332,712   | 45,373    | 378,085 |
| 1996 | 318,864   | 46,053    | 364,917 |
| 1997 | 300,653   | 49,450    | 350,103 |
| 1998 | 303,076   | 48,337    | 351,413 |
| 1999 | 323,608   | 48,437    | 372,045 |
| 2000 | 301,244   | 50,216    | 351,460 |
| 2001 | 270,507   | 48,384    | 318,891 |
| 2002 | 263,105   | 51,304    | 314,409 |
| 2003 | 245,818   | 52,147    | 297,965 |
| 2004 | 240,666   | 49,959    | 290,625 |
| 2005 | 233,667   | 48,569    | 282,236 |
| 2006 | 237,965   | 69,255    | 307,220 |
| 2007 | 249,310   | 72,299    | 321,609 |
| 2008 | 268,335   | 72,077    | 340,412 |
| 2009 | 242,940   | 74,951    | 317,891 |
| 2010 | 251,503   | 74,810    | 326,313 |
| 2011 | 253,554   | 81,224    | 334,778 |
| 2012 | 262,931   | 74,843    | 337,774 |
| 2013 | 254,437   | 58,874    | 313,311 |
| 2014 | 242,648   | 76,356    | 319,004 |
| 2015 | 223,000   | 65,133    | 288,133 |
| 2016 | 203,237   | 54,805    | 258,042 |
| 2017 | 200,559   | 44,189    | 244,748 |
| 2018 | 188,054   | 49,555    | 237,609 |
| 2019 | 152,310   | 37,808    | 190,118 |
| 2020 | 43,723    | 8,473     | 52,196  |

Traffic is reported on the calendar year.

# Statistical Information: Vehicles

Vehicles by Region

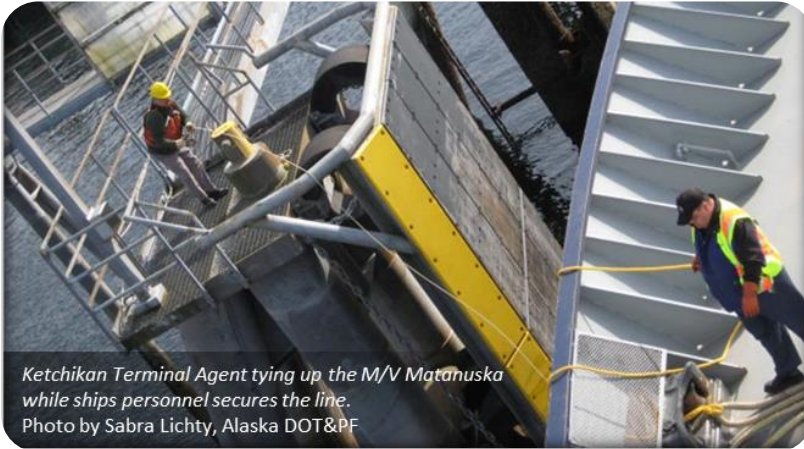


| YEAR | SOUTHEAST | SOUTHWEST | TOTAL   |
|------|-----------|-----------|---------|
| 1990 | 94,730    | 16,310    | 111,040 |
| 1991 | 95,173    | 12,860    | 108,033 |
| 1992 | 97,239    | 15,656    | 112,895 |
| 1993 | 92,598    | 15,696    | 108,294 |
| 1994 | 90,758    | 15,245    | 106,003 |
| 1995 | 88,942    | 15,031    | 103,973 |
| 1996 | 87,863    | 14,809    | 102,672 |
| 1997 | 82,451    | 15,878    | 98,329  |
| 1998 | 84,328    | 16,490    | 100,818 |
| 1999 | 88,101    | 16,921    | 105,022 |
| 2000 | 82,651    | 17,484    | 100,135 |
| 2001 | 76,413    | 17,533    | 93,946  |
| 2002 | 74,460    | 17,943    | 92,403  |
| 2003 | 72,386    | 18,586    | 90,972  |
| 2004 | 69,993    | 18,620    | 88,613  |
| 2005 | 67,938    | 18,580    | 86,518  |
| 2006 | 71,609    | 25,461    | 97,070  |
| 2007 | 77,000    | 27,913    | 104,913 |
| 2008 | 82,040    | 27,799    | 109,839 |
| 2009 | 77,671    | 30,870    | 108,541 |
| 2010 | 79,745    | 30,330    | 110,075 |
| 2011 | 81,118    | 32,982    | 114,100 |
| 2012 | 85,009    | 30,439    | 115,448 |
| 2013 | 83,707    | 25,090    | 108,797 |
| 2014 | 78,372    | 30,106    | 108,478 |
| 2015 | 74,399    | 26,148    | 100,547 |
| 2016 | 73,787    | 25,182    | 98,969  |
| 2017 | 74,818    | 21,708    | 96,526  |
| 2018 | 69,562    | 22,787    | 92,349  |
| 2019 | 58,268    | 18,935    | 77,203  |
| 2020 | 20,653    | 6,353     | 27,006  |

Traffic is reported on the calendar year.



# AMHS Funds and Sweeps



**Alaska Marine Highway  
System Fund (1076)**  
AS 19.65.060, AS 37.05.550

Sweepable: Yes  
Swept Amount: \$0

**AMHS Vessel Replacement Fund (1082)**  
AS 37.05.550

Sweepable: Yes  
Swept Amount: \$21,684.3

**Capitalization Account (3225)**  
*subaccount of AMHS Fund*

Sweepable: Yes  
Swept Amount: \$2,629.4

(\*Preliminary Unaudited Sweep Numbers)

# DOT&PF Use of AMHS



Amounts paid to AMHS from other DOT&PF components, deposited into the AMHS fund.

| Fiscal Year | 2016    | 2017    | 2018     | 2019     | 2020    | 2021     | 2022    |
|-------------|---------|---------|----------|----------|---------|----------|---------|
| Capital     | \$ 42.3 | \$ 49.0 | \$ 67.1  | \$ 90.8  | \$ 28.0 | \$ 63.0  | \$ 20.2 |
| Operating   | \$ 35.2 | \$ 42.6 | \$ 37.8  | \$ 48.0  | \$ 34.1 | \$ 46.3  | \$ 20.1 |
| Total       | \$ 77.5 | \$ 91.6 | \$ 104.9 | \$ 138.8 | \$ 62.1 | \$ 109.3 | \$ 40.3 |

\$ in Thousands (1,000)

# IIJA SEC. 71103 FERRY SERVICE FOR RURAL COMMUNITIES

Ensures basic essential ferry service is provided to rural areas.

Operators must have operated a regular schedule during the 5-year period ending March 1, 2020 and served at least two communities with a population of 50,000 or less, located more than 50 sailing miles apart.

Analyzed 197 ferry operators and the communities served.  
Identified potentially eligible system in Maine; approximately \$12M operating budget.

*Awaiting further criteria on program.*



National Census of Ferry Operators: <https://www.bts.gov/NCFO>



# Challenges



## **COVID (Direct and Indirect)**

Vendor delays

Parts & Supplies Availability

Staff Availability (20 crew in shipyard in quarantine.)

## **Crew**

Recruitment and Retention

## **Mechanical**

Aging Ships and Wasted Steel

# Staying the Course, Toward Reliability

<https://dot.alaska.gov/amhob/>

- Forward Funded Budget
- Operating First Full Year Schedule
- AMHOB Meeting February 11<sup>th</sup>
- Marine Highway Planner in Recruitment
- New Change Manager
- Contingent Private Contract Service
- Prince Rupert: Working toward May 1<sup>st</sup>
- Tustumena Replacement Vessel: CMGC
- Hubbard: Crew Quarters
- Matanuska: Crewed, Sailing since January 31<sup>st</sup>
- Tazlina: Crewed, Sailing February 4<sup>th</sup>





# Questions?

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*Sunset in Ketchikan, M/V LeConte tied to the dock. Photo by Sarah Roark*

