



Alaska Department of Transportation & Public Facilities

Senate Finance Committee

Alaska Marine Highway System

Rob Carpenter, Deputy Commissioner

Dom Pannone, Administrative Services Director

Matt McLaren, AMHS Business Development Manager

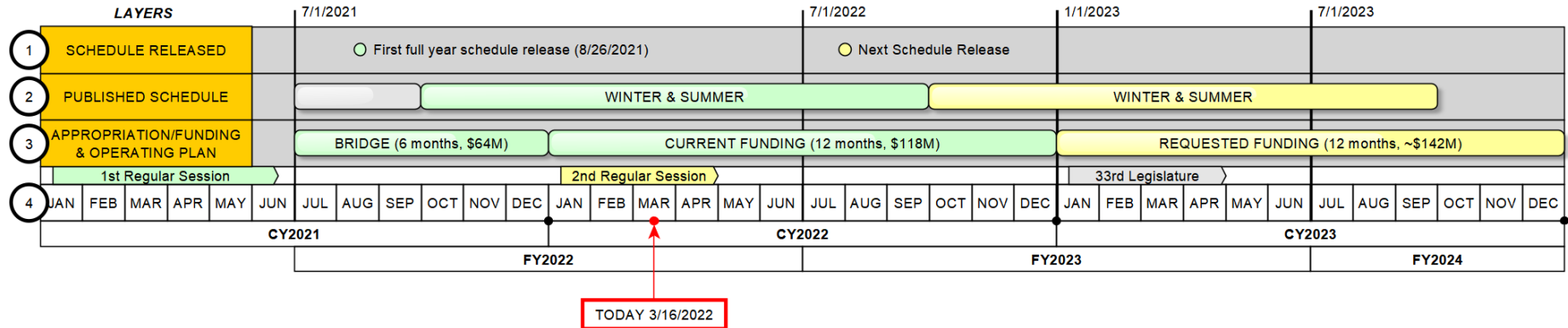
March 16, 2022

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

Forward Funded Budget Structure



AMHS OPERATIONAL LAYERS



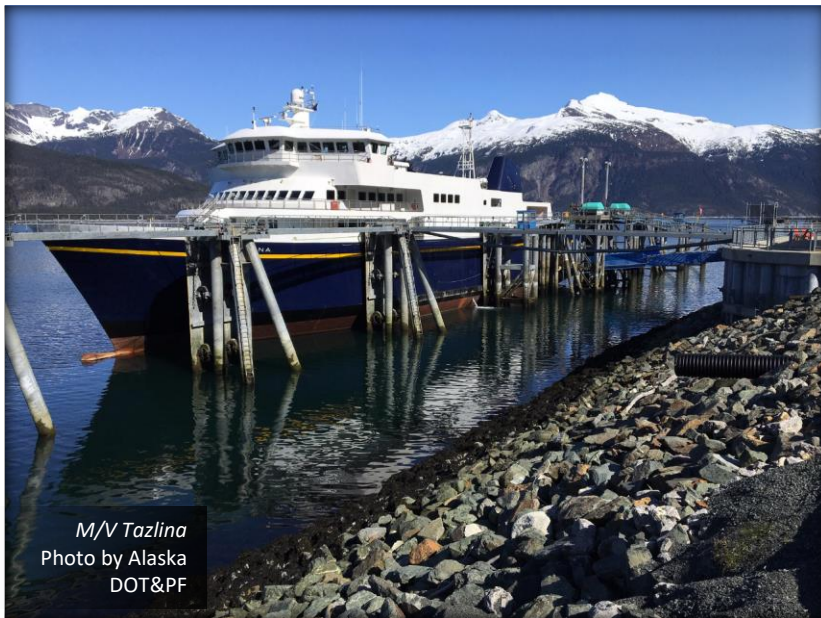
Current Budget

	FY2022 "BRIDGE" (6 months)	CY2022 (12 months)
FTA	\$ 26,196.0	\$ 21,804.2
FHWA	\$ 33,393.7	\$ 31,374.1
CIP & OTHER	\$ 1,099.3	\$ 872.1
MFT	\$ 1,808.6	\$ 3,617.1
UGF	\$ 1,738.5	\$ 61,000.0
Totals	\$ 64,236.1	\$ 118,667.5

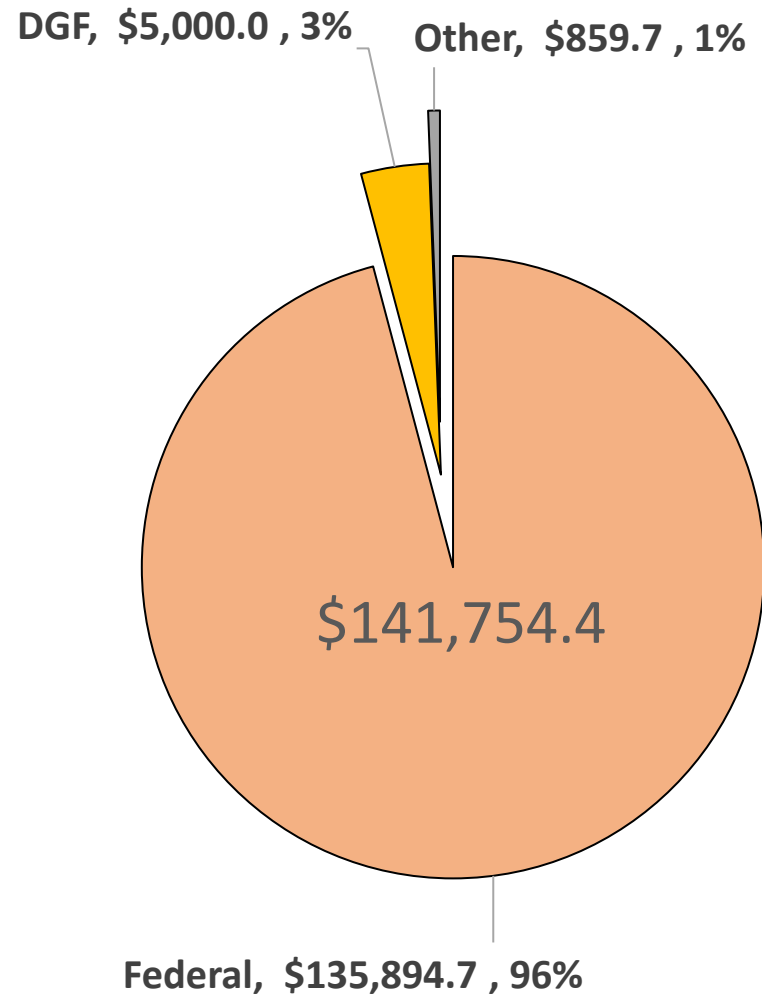
Governor's CY2023

	CY2023 (12 months)
FED	\$ 135,894.7
AMHS FUND	\$ 5,000.0
CIP & OTHER	\$ 859.7
Totals	\$ 141,754.4

CY2023 Governor's Proposed



All ships, all the time.



\$ in Thousands (1,000)

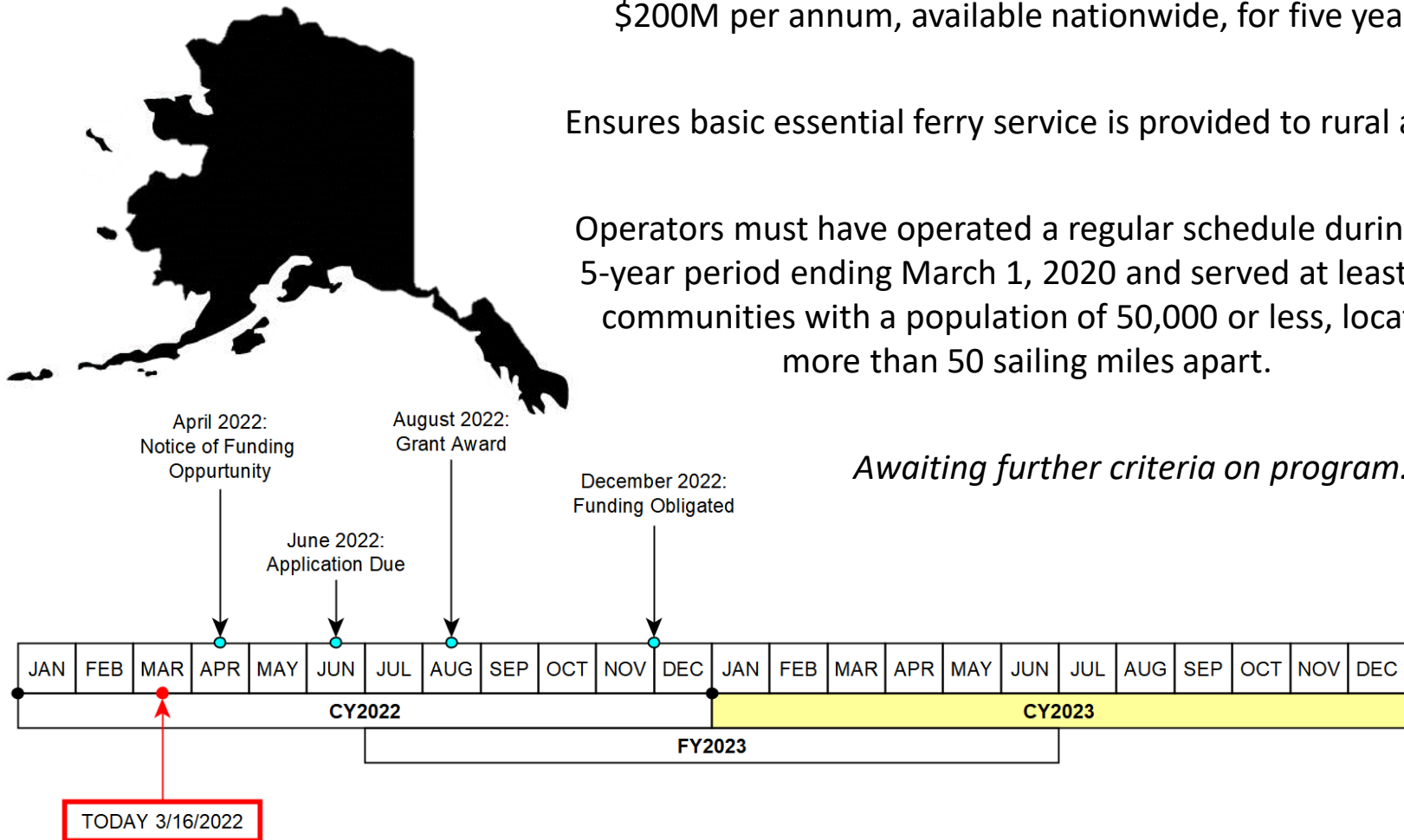
Infrastructure Investment and Jobs Act (IIJA) SEC. 71103 FERRY SERVICE FOR RURAL COMMUNITIES

\$200M per annum, available nationwide, for five years.

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.

Awaiting further criteria on program.



Ferry Boat Discretionary Funds also increasing by an estimated 26%-30%.
FHWA targeting end of month for formulas/amounts.

CY2023 Governor's Proposed Budget



	FY2019 Final Authorized	FY2020 Final Authorized	FY2021 Final Authorized	CY2022	CY2023 Governor's Proposed	Δ	Δ%
Planned Weeks of Service	345.9	254.3	286.7	249.5	362.7	113.2	45%
Actual Weeks of Service	329.1	203	200.3	* 224			
Planned Port Calls	5,914	4,399	4,959	4,166	6,311	2,145	51%
Budgeted Revenue	\$ 51,697.6	\$ 48,070.2	\$ 51,779.1	\$ 45,485.2	\$ 53,314.8	\$ 7,829.6	17%
Actual Revenue	\$ 50,804.0	\$ 28,257.0	\$ 27,862.0	\$ * 41,000.0			
Planned Fare Box Recovery	37%	44%	47%	33%	38%		
Actual Fare Box Recovery	36%	29%	29%	* 22%			

Budget Fund Sources

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 IJJA/BIL)	\$ -	\$ -	\$ -	\$ -	\$ 135,894.7	\$ 135,894.7	100%

Operating Total	\$ 140,243.3	\$ 109,566.1	\$ 110,434.8	\$ 182,903.6	\$ 141,754.4	\$ (41,149.2)	-22%
				<i>AMHS less Forward Funding (CY2022)</i>	\$ 118,667.5	\$ 23,086.9	19%

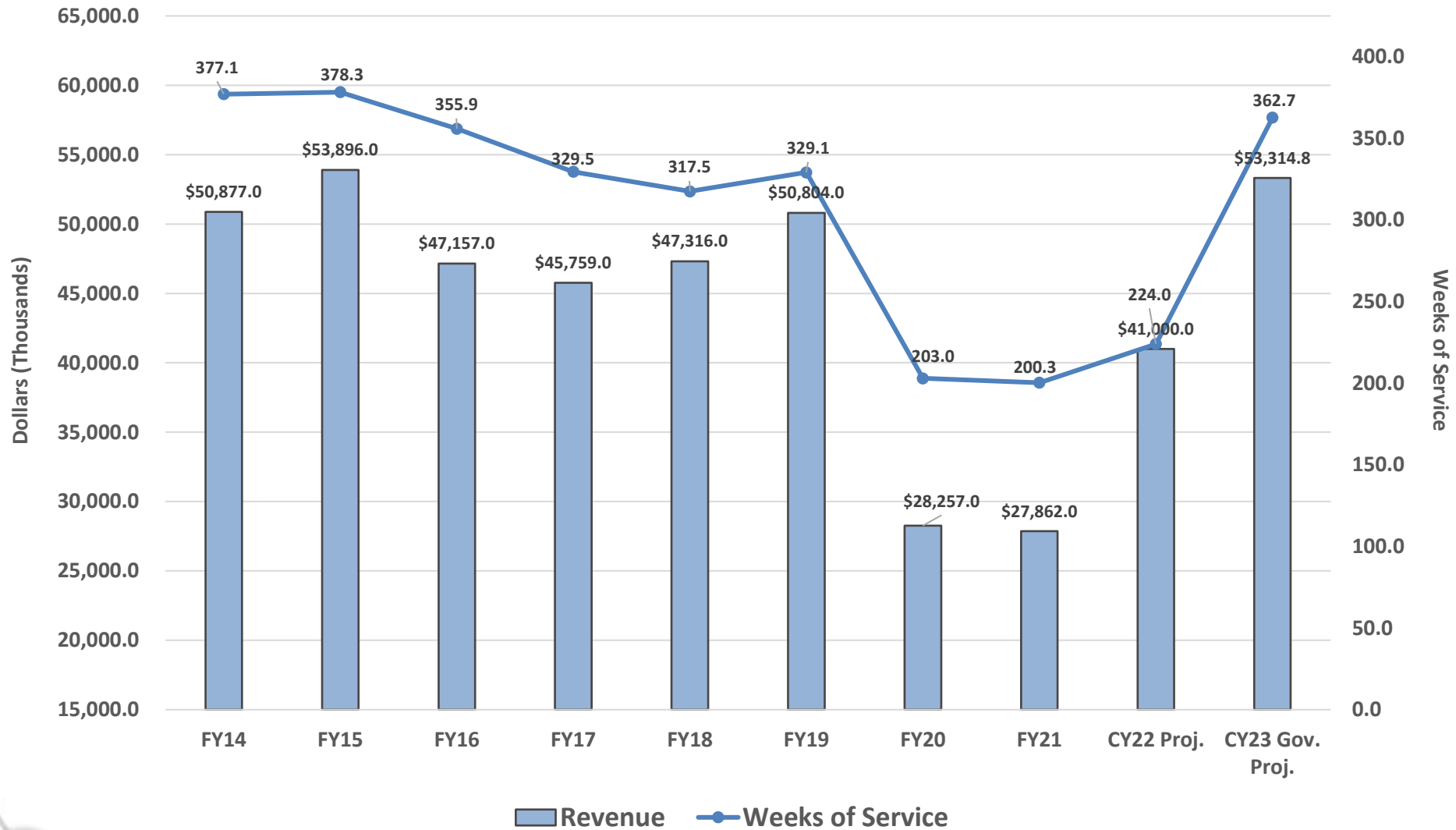
*Current Year in Progress, Projected Figures

\$ in Thousands (1,000)



AMHS Revenue & Weeks of Service

FY2014 – CY2023

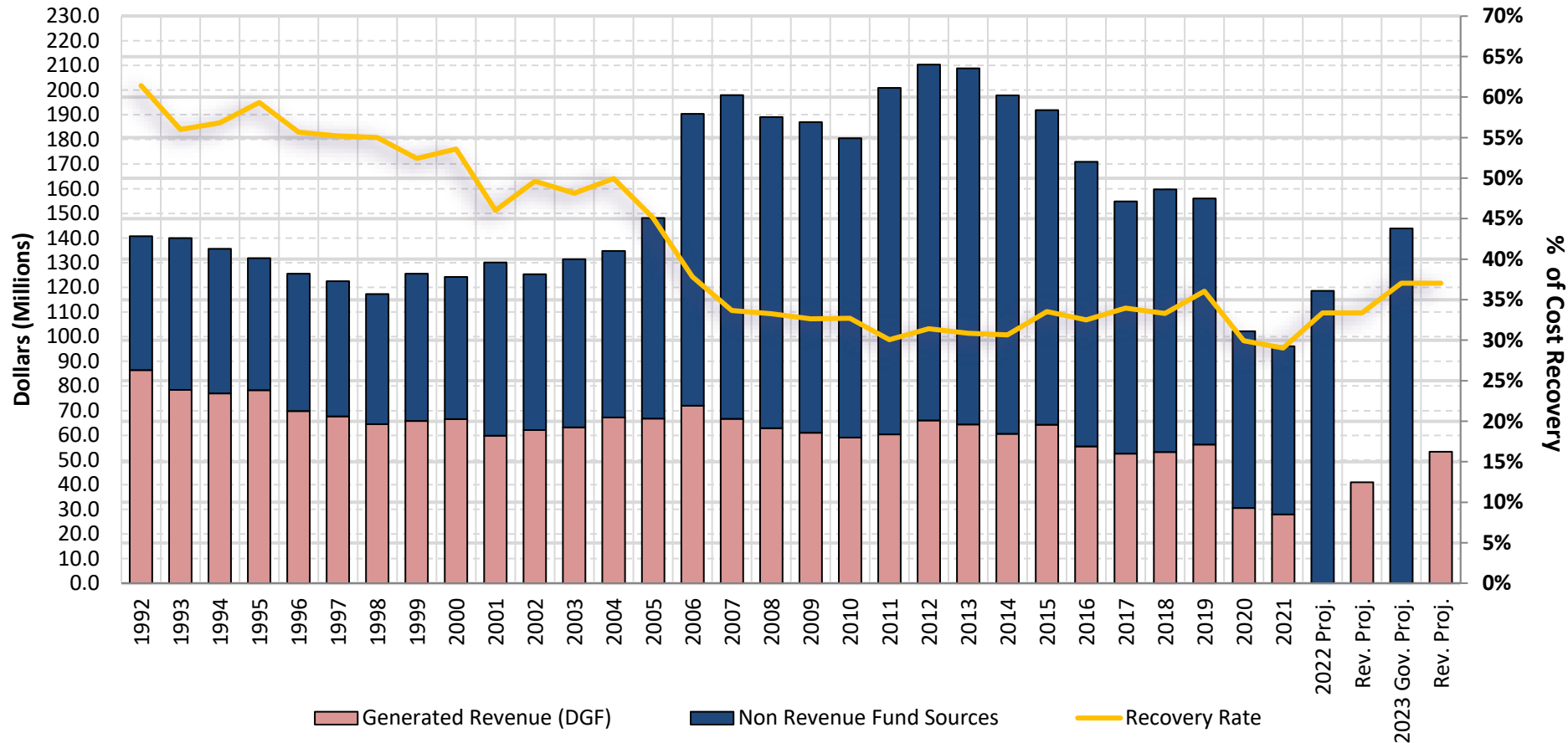


\$ in Thousands (1,000)



Historical Revenues and Operating Costs (Inflation Adjusted to 2021 \$s)

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 Funds and Sweeps

Alaska Marine Highway System Fund (1076)

AS 19.65.060, AS 37.05.550

Sweepable: Yes

Swept Amount: \$0

Capitalization Account (3225)

subaccount of AMHS Fund

Sweepable: Yes

Swept Amount: \$2,629.4

AMHS Vessel Replacement Fund (1082)

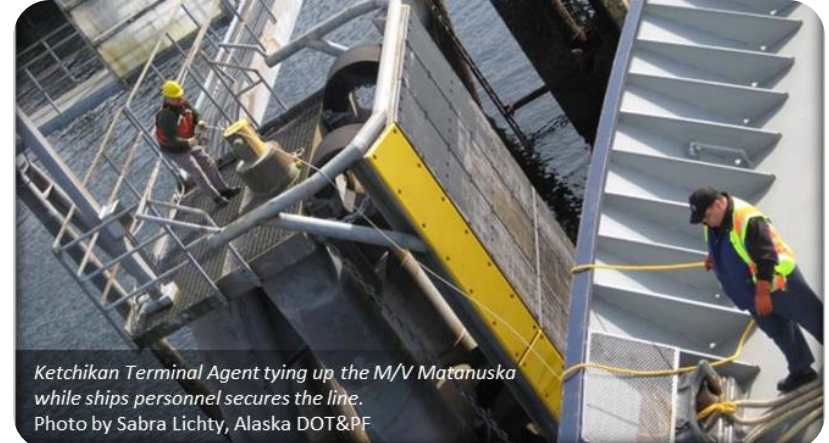
AS 37.05.550

Sweepable: Yes

Swept Amount: \$18,477.9

Balance: ~\$28M

- \$2.6M Ocean Going Vessel, Planning & Design (\$10M - FY2014)
- \$22M Ocean Going Vessel, Construction Match (\$22M – FY2018)
- \$3.4M Title 23 / Federal Share of Vessel Sales / Other



Ketchikan Terminal Agent tying up the M/V Matanuska while ships personnel secures the line.
Photo by Sabra Lichty, Alaska DOT&PF



SB 226 - Relocates AMHS Fund outside of General Fund
Balances not subject to sweep or further appropriation

Fuel Calculations



Fuel calculations based on Oil Price Information Service (OPIS), Cost = OPIS Pricing + Delivery Charge

CY2023 budget built on \$2.36/gal (8.4M/gal = \$19.9M), FY2021 Averages were \$2.21/gal

7/1/2021 to 3/11/2022 average is at \$2.90/gal

Fuel expenditures vary significantly by ship

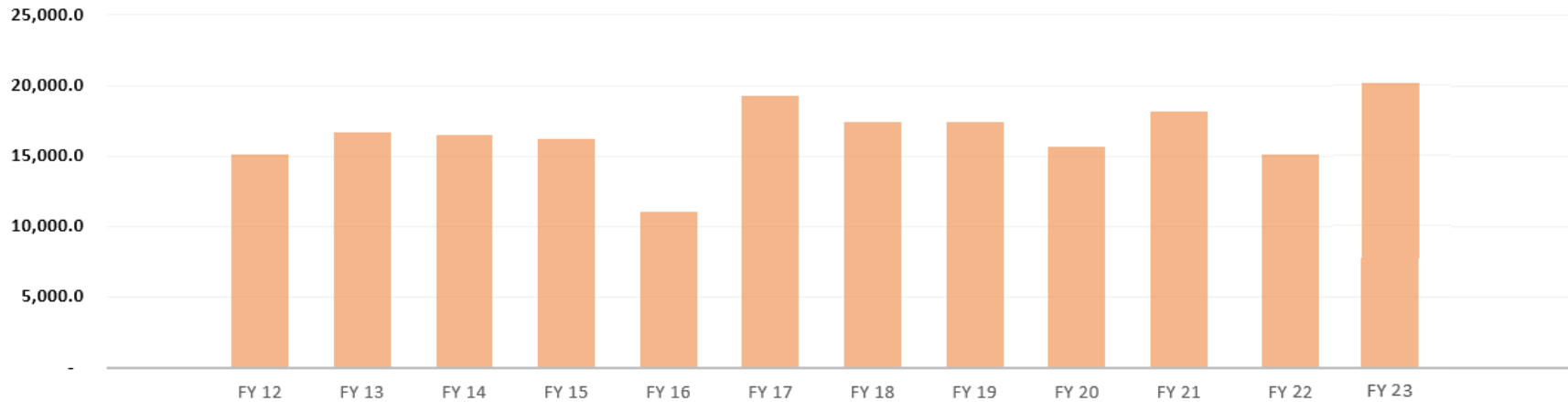
Staying the Course, Toward Reliability

- Forward funded budget
- First full year advance schedule published
- Tustumena replacement vessel: CMGC
- Hubbard: crew quarters
- Prince Rupert:
 - *Working toward May 23rd*
 - *June – September schedule published*
- Marine highway planner final candidate selection underway
- Contingent private contract service
- Tazlina: crewed, sailing since February 4th
- Alaska Marine Highway Operations Board meeting every two weeks
- New change management director
 - **Katherine Keith**, *Certified Project Management Professional and Project Management Institute Agile Certified Practitioner*

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



State Funded Overhauls



Actuals by Vessel

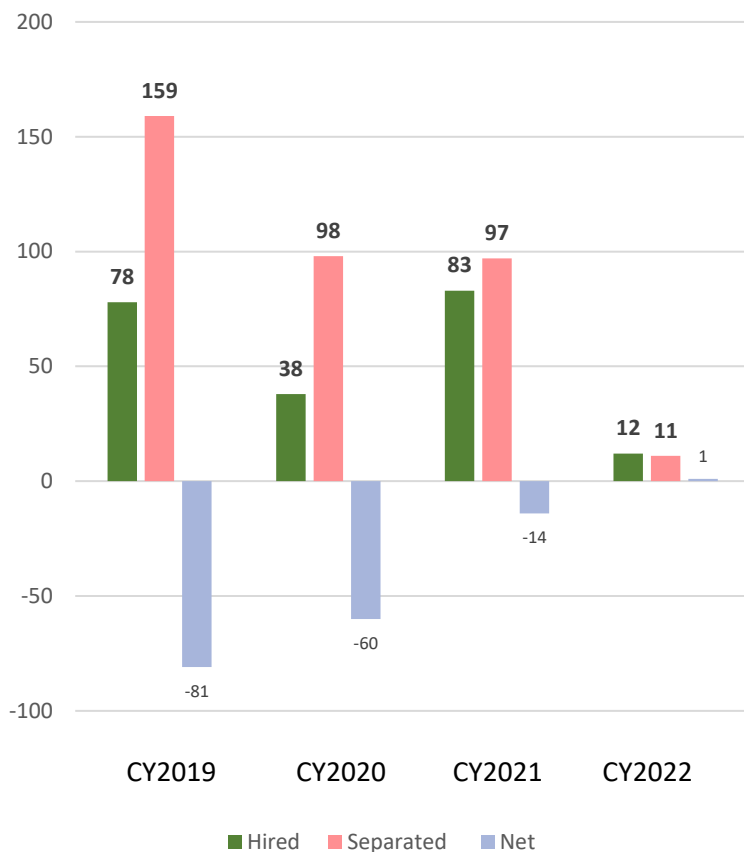
Vessel	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	Vessel Total
Aurora	\$ 924.2	\$ 980.4	\$ 947.0	\$ 884.3	\$ 805.1	\$ 1,984.1	\$ 856.4	\$ 4,646.7	\$ 12,028.2
Chenega	\$ 1,286.0	\$ 669.5	\$ 877.0	\$ 1,286.0	\$ 769.5	\$ 14.0	\$ -	\$ -	\$ 4,902.0
Columbia	\$ 1,919.9	\$ 1,408.4	\$ 1,390.5	\$ 2,319.9	\$ 2,108.4	\$ 3,706.6	\$ 2,363.1	\$ 1,036.3	\$ 16,253.1
Kennicott	\$ 2,531.3	\$ 2,782.8	\$ 1,544.5	\$ 2,931.3	\$ 2,582.8	\$ 4,181.0	\$ 2,578.7	\$ 2,023.6	\$ 21,156.0
LeConte	\$ 1,736.8	\$ 1,324.5	\$ 944.0	\$ 2,136.8	\$ 1,564.5	\$ 1,684.0	\$ 5,620.1	\$ 1,280.3	\$ 16,291.0
Malaspina	\$ 1,911.8	\$ 763.0	\$ 920.5	\$ 2,411.8	\$ 863.0	\$ 2,316.3	\$ 171.6	\$ -	\$ 9,358.0
Matanuska	\$ 1,712.2	\$ 3,949.7	\$ 1,105.5	\$ 2,112.2	\$ 3,949.7	\$ 94.5	\$ 1,299.6	\$ 5,107.6	\$ 19,331.0
Taku	\$ 952.7	\$ 696.8	\$ 578.5	\$ 1,052.7	\$ 796.8	\$ -	\$ -	\$ -	\$ 4,077.5
Tustumena	\$ 1,953.1	\$ 2,208.9	\$ 1,862.5	\$ 2,353.5	\$ 2,508.9	\$ 2,301.1	\$ 1,954.7	\$ 2,962.9	\$ 18,105.6
Fairweather	\$ 912.0	\$ 923.9	\$ 435.7	\$ 912.0	\$ 1,006.6	\$ 272.8	\$ 36.8	\$ -	\$ 4,499.8
Tazlina	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19.5	\$ 196.0	\$ 853.9	\$ 1,069.4
Hubbard	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.8	\$ 58.2	\$ 49.1	\$ 108.1
Lituya	\$ 698.6	\$ 476.4	\$ 396.5	\$ 898.6	\$ 476.4	\$ 798.6	\$ 510.2	\$ 238.6	\$ 4,493.9
TOTAL	\$ 16,538.6	\$ 16,184.3	\$ 11,002.2	\$ 19,299.1	\$ 17,431.7	\$ 17,373.3	\$ 15,645.4	\$ 18,199.0	\$ 131,673.6

\$ in Thousands (1,000)



AMHS Staffing Needs (as of 3/10/2022)

Hired vs Separated



Position	% vacant (# of vacancies)
Entry-level Steward	75% (274)
AB (including Bos'n)	49% (44)
3rd Engineers	63% (12)
2nd Cook	65% (15)
Oilers	41% (19)
3rd Mates	41% (21)
2nd Steward	60% (6)
Chief Pursers	47% (9)
Jr Engineers	35% (6)
Chief Engineers	31% (8)
Total	414 vacancies
This table shows positions with significant vacancies.	



AMHS Crewing Requirements

Fleet Configuration	<u>Minimum</u> Number of New Hires Needed	Additional Above Main Fleet
Main fleet (AUR, MAT, LEC, LIT, KEN, TUS)	24	-
Main fleet and TAZ	49	25
Main fleet, Columbia, no Tazlina	125	101
Main fleet, Columbia, and Tazlina	166	142



Staffing goals for eight ferries over the summer of 2022 are:

IBU: 496 (*current 305*) / MMP: 112 (*current 78*) / MEBA: 80 (*current 55*).

Staffing goals for the summer season will not be met at current recruitment rates.

250 Hires required for healthy staff levels.

M/V Columbia's operation depends on reaching staffing targets.

IBU: Inlandboatmen's Union of the Pacific

MMP: International Organization of Masters, Mates, & Pilots

MEBA: Marine Engineers' Beneficial Association

AUR: Aurora

MAT: Matanuska

LEC: Leconte

LIT: Lituya

COL: Columbia

KEN: Kennicott

TUS: Tustumena

TAZ: Tazlina

Questions?

Rob Carpenter

Deputy Commissioner

(907) 465-3900

Rob.Carpenter@Alaska.gov

Dom Pannone

Administrative Services Director

(907) 465-2956

Dom.Pannone@Alaska.gov

Matt McLaren

AMHS Business

Development Manager

(907) 228-7250

Matt.McLaren@Alaska.gov

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