The Mission of the Alaska Marine Highway System is to provide safe, reliable, and efficient transportation of people, goods, and vehicles among Alaska communities, Canada, and the "Lower 48," while providing opportunities to develop and maintain a reasonable standard of living and high quality of life, including social, education, and health needs.
End of life dates determined by a 1991 Glosten Associates study and AMHS fleet simulation study
Service Timeline

- M/V Chilkat (1957-90)
- M/V Malaspina (1963)
- M/V Matanuska (1963)
- M/V Taku (1963)
- M/V Tustumena (1984)
- M/V Aurora (1977)
- M/V LeConte (1974)
- M/V Columbia (1974)
- FVF Chenega (2005)
- IFA Southern Route (2002)
- IFA Northern Route (2007)
- M/V Kennicott (1998)

Communities Served:
- Ketchikan
- Petersburg
- Wrangell
- Prince Rupert
- Sitka
- Haines
- Juneau
- Skagway
- Cordova
- Homer
- Kodiak
- Seldovia
- Valdez
- Kake
- Metlakatla
- Yakutat
- Hoonah
- Seattle
- Tottilek
- Wrangell
- Chignik
- Cold Bay
- Dutch Harbor
- Angoon
- False Pass
- King Cove
- Sand Point
- Tenekeke
- Peilcan
- Bellingham
- Replaces Seattle as Southern terminus (1989)
- Chenega Bay
- Ketchikan to Haines
- Akutan
- Kaufman Cove to Wrangell and South Mitkoff Island

Years:
- 1949
- 1952
- 1957
- 1963
- 1969
- 1974
- 1977
- 1983
- 1993
- 2004
- 2007
Logistics

Alaska Marine Highway
- Service Route: 3,500 miles
- Passengers: 340,000
- Vehicles: 110,000

BC Ferries
- Service Route: 755 miles
- Passengers: 21,000,000
- Vehicles: 8,000,000

Washington State Ferry
- Service Route: 200 Miles
- Passengers: 25,000,000
- Vehicles: 11,000,000
Boarding's by Alaskan Residents

Anchorage, pop. 260,283
Homer, pop. 5,364
Hoonah, pop. 860
Kake, pop. 710
Angoon, pop. 572
Skagway, pop. 862
Cordova, pop. 2,454
Wrangell, pop. 2,308
Kodiak, pop. 6,334
Ketchikan, pop. 13,384
Hoonah, pop. 860
Haines, pop. 1,811
Sitka, pop. 8,835
Metlakatla, pop. 1,244
Juneau, pop. 30,711

15 Alaska communities with the highest ferry ridership by residents, 2008
On Time Departures / Customer Satisfaction

On Time Departures (within 30 minutes)
Satisfied Customers

<table>
<thead>
<tr>
<th>Year</th>
<th>On Time Departures (%)</th>
<th>Satisfied Customers (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>84%</td>
<td>83%</td>
</tr>
<tr>
<td>2002</td>
<td>92%</td>
<td>92%</td>
</tr>
<tr>
<td>2003</td>
<td>95%</td>
<td>84%</td>
</tr>
<tr>
<td>2004</td>
<td>81%</td>
<td>Data Not Available</td>
</tr>
<tr>
<td>2005</td>
<td>96%</td>
<td>96%</td>
</tr>
<tr>
<td>2006</td>
<td>96%</td>
<td>83%</td>
</tr>
<tr>
<td>2007</td>
<td>97%</td>
<td>89%</td>
</tr>
<tr>
<td>2008</td>
<td>96%</td>
<td>93%</td>
</tr>
</tbody>
</table>

AMHS Missions and Measures Metrics
Blue = On time Departures 75%
Yellow = Customer Satisfaction 95%
Data Not Available

2001 2002 2003 2004 2005 2006 2007 2008
Passenger Traffic Comparison

* Projected total as of August 3, 2009
Vehicle Traffic Comparison

<table>
<thead>
<tr>
<th>Region</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southwest</td>
<td>8,603</td>
<td>9,664</td>
<td>10,812</td>
<td>11,026</td>
<td></td>
</tr>
<tr>
<td>Prince William</td>
<td>9,974</td>
<td>5,797</td>
<td>17,101</td>
<td>16,783</td>
<td></td>
</tr>
<tr>
<td>Southeast</td>
<td>67,938</td>
<td>71,691</td>
<td>80,800</td>
<td>82,022</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>88,519</td>
<td>76,044</td>
<td>92,613</td>
<td>99,831</td>
<td>109,000</td>
</tr>
</tbody>
</table>

* Projected total as of August 3, 2009
<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Skagway</th>
<th>Juneau</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>33,033</td>
<td>5,637</td>
<td>20,874</td>
</tr>
<tr>
<td>2008</td>
<td>34,946</td>
<td>7,449</td>
<td>21,994</td>
</tr>
<tr>
<td>2009 *</td>
<td>34,000</td>
<td>7,500</td>
<td>21,000</td>
</tr>
</tbody>
</table>

* Projected as of August 3, 2009
# Skagway Traffic Pattern

Passengers embarking Skagway for Haines and Juneau

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Haines</th>
<th>Juneau</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>23,540</td>
<td>4,617</td>
<td>15,377</td>
</tr>
<tr>
<td>2008</td>
<td>24,413</td>
<td>6,310</td>
<td>15,642</td>
</tr>
<tr>
<td>2009 *</td>
<td>23,500</td>
<td>6,500</td>
<td>15,000</td>
</tr>
</tbody>
</table>

* Projected as of August 3, 2009
Early Schedule Release

Winter 2009 /Spring 2010 schedule released July 17th

Summer 2010 schedule to be released October 1st

- Gains booking ability with groups and wholesalers
- Increases foreign booking
- Increases presence in tour brochures
Economic Benefits of AMHS on Alaska

AMHS Spending Impacts, FY 2007

• Direct Impacts
  – 960 Jobs
  – In-State expenditures: $115 Million

• Indirect Impacts
  – 480 Jobs
  – $58 Million

• Total Economic Impact
  – 1,440 Jobs
  – $173 Million
FY 09 Results

FY 09 Marketing Plan

– Reached more than 11.2 million people
– Helped increase passenger ridership to its highest level since 2000 and vehicle traffic to the second highest year on record
– Generated 125,000 inquiries from interested consumers
– Attracted 459,000 visits to FerryAlaska.com through a combination of magazine ads and digital marketing techniques
– Realized the highest monthly traffic ever to FerryAlaska.com
– Promoted off-peak travel in 20 local communities through a combination of newspaper, direct mail and radio ads
FY10 Marketing Objectives

Increase year-round ridership on all vessels to all ports

- Enhance Awareness of the AMHS
  - Brand the AMHS as a provider of unique travel experiences and drive traffic to the redesigned FerryAlaska.com Web site.
  - Promote ridership through a targeted multimedia campaign.

- Increase resident use of the AMHS during the off-peak season
  - Use pricing and promotion strategies to increase ridership, especially during the fall, winter, and spring.

- Communicate with current and potential customers
  - Establish ongoing relationship marketing with past customers and inquirers via a monthly e-newsletter.
Alaska Class Ferry
Overview

– Alaska Class Ferry funding is incorporated in the draft 2010-2013 STIP.

– Vital step for the future of the Alaska Marine Highway System

– Public comment period on the draft STIP is open through October 2, 2009

– The public is encouraged to review and comment online at www.dot.state.ak.us/stip
Alaska Class Ferry
Project Update

Current

– Confirm vessel concept using steering committee findings and input from managed public process
– Evaluate results to maximize use of current concept design effort
– Continue with development of vessel concept design (45% PS&E) using appropriate results of both efforts

Next Step

– Detailed Design

Key Dates:

- Feasibility Study Complete
- Public Input Process Complete
- Preliminary Design Complete 10/31/09 Estimated
- Detailed Design Complete 03/31/10 Estimated
- Contract Bid Date To Be Determined
- Contract Award Date To Be Determined
System Analysis Update

Phase One: Now Complete

Phase Two: Complete Late Fall 2009

Phase Three: Public Input Process

- Includes options that define the socio-economic and financial impacts for a range of ferry services including expansion, contraction, replacement and addition of vessels

- The results will enable informed debate to refine service and capital expenditure decisions and generate the desired long-term benefits for AMHS

On the web at AMHSproject.com
Fuel Savings Systems

10-14% Fuel Savings

- Now installed:
  - Aurora
  - Tustumena
  - Matanuska
- Winter 2010 Installation:
  - Columbia
  - Kennicott
- Winter 2011 Installation:
  - Taku
  - LeConte
AMHS is committed to 24-hour satellite service

- Infrastructure is currently on 5 vessels:
  - TUS, MAL, AUR, COL, MAT
- Infrastructure added in the next two years to:
  - KEN, LEC, TAK, LIT
- In the process of selecting a bandwidth provider
- Onboard systems will be tied to satellite service for the delivery of real-time data
AMHS has acquired federal funding to pursue a new reservations and manifest system.

– Phase One: Business Process Analysis
  • Completed March 2009
  • Identified additional projects, currently underway
    • Restructure of policy and procedures manual and business practices to reflect recent changes to the organization

– Phase Two: Acquisition of Reservations System Software
  • Early 2010
  • Will integrate with 24/7 satellite system
  • Point-of-sale 24 hour connection
New site launched at FerryAlaska.com in November 2008
- Improved usability
- Updated OARS user interface
- Promotes communities
- Encourages community input and participation

Public response has been positive

New site is easy to update and expand
- Headlines section (updated daily)
- News and Updates section for press releases and schedule changes
- Alaska Class Ferry site added
Closing Summary

Moving forward into 2010

- Due to current recession, consumer spending is down; negative effect on visitor and resident travel
- Fuel prices are still volatile, which could lead to the restoration of fuel surcharges
- Pricing competition from cruise industry
- As recession eases, expect passage and vehicle counts to resume increases