Alaska Department of Transportation & Public Facilities

Southeast Conference

Captain Michael Neussl, Deputy Commissioner
September 15, 2015
• Fiscal Year 2015 Accomplishments & Events
• Traffic Report
• Revenue Report & Historical Comparisons
• Fleet Update
• Terminal Update
• Budgetary Constraints
• Fiscal Year 2016 Operating Plan
• Fiscal Year 2017 & Beyond
• Dayboat Alaska Class Ferry
• Tustumena Replacement
FISCAL YEAR 2015
ACCOMPLISHMENTS & EVENTS

• Earned $53.5M* in Revenue (+5% from FY14)
• Reduced total operating costs $5M* compared to FY14 (down to $161M, -4% from FY14)
• Provided 378 ship weeks of service (-5% from FY14)
• Carried 310,000* passengers and 106,500* vehicles (-3% and -2% respectively)
• Made 6,478 port calls (-5%)
• Redesigned & implemented a more user-friendly website
• 140,000+ followers on social media

* These numbers are estimates and will not be finalized until November 2015.
AMHS
FY09 – FY15
Monthly Embarkations
As of December 31, 2014

Embarkations

Vehicles

Passengers

FY09 FY10 FY11 FY12 FY13 FY14 FY15

0 10,000 20,000 30,000 40,000 50,000 60,000 70,000

Jul Aug Sept Oct Nov Dec Jan Feb Mar Apr May June
REVENUE REPORT

AMHS FY2015 Revenue Sources ($53.5*)
(in Millions)

- Cardeck Ticket Sales $25.5 / 48%
- Stateroom Ticket Sales $5.8 / 11%
- Passenger Service Sales $4.0 / 7%
- Passenger Ticket Sales $18.2 / 34%

*This total is an estimate. Final revenue numbers will not be available until November 2015
## Historical Operating Weeks & Fleet Size

### AMHS Operating Weeks from Annual Financial Reports

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Operating weeks (actual as sailed)</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>2000</td>
<td>305.0</td>
<td>9 ships (Bartlett, No FVF or Lituya)</td>
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<td>291.7</td>
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<td>2003</td>
<td>326.6</td>
<td>9 ships (Bartlett, No FVF or Lituya)</td>
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<td>2004</td>
<td>306.2</td>
<td>11 ships (Lituya, FWX, Bartlett / No Chenega)</td>
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<td>2005</td>
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<td>Current 11 ships</td>
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<tr>
<td>2006</td>
<td>415.1</td>
<td>Current 11 ships</td>
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<tr>
<td>2007</td>
<td>427.8</td>
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<td>2008</td>
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<td>2009</td>
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<td>2010</td>
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<td>2012</td>
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<td>2014</td>
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<td>2015</td>
<td>378.3</td>
<td>Current 11 Ships</td>
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### Chart

- **Total Operating Weeks**
- **Fiscal Year**

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09/15/2015

Integrity • Excellence • Respect
FLEET UPDATE

• *MV Columbia* Federal Capital Improvement Project (CIP) FY16
• *MV Matanuska* Repower FY17
• Fast Vehicle Ferry Systems Upgrades FY16
• Electrical Generation Upgrade
• SOLAS Waiver - Malaspina
  ▪ Kennicott, Matanuska, Taku are SOLAS
TERMINAL UPDATE

- Haines
- Homer
- Auke Bay
- Kake Terminal Improvements
  - Transfer Bridge
  - Passenger Facility
- Kodiak
- Angoon Passenger Facility
- Prince Rupert – Marine Structures
- Skagway
- Ketchikan
- Gustavus
- Tenakee Springs – Dock Replacement
BUDGETARY CONSTRAINTS

• $14.6M reduction in State GF Operating funds in Fiscal Year 2016 compared to Fiscal Year 2015

• $4.4M reduction in State GF Capital funds in Fiscal Year 2016 compared to Fiscal Year 2015
  - MV Taku has been removed from service in Fiscal Year 2016 due to insufficient capital overhaul funding

• Fuel base budget of $2.56 per gallon
# FISCAL YEAR 2016 OPERATING PLAN

## DRAFT

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<th>JUL</th>
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| Implementation of an Operating Plan is dependent upon funding from the legislature and earned revenue. |

## Operational Plan

**Note:** Dates represent the first day of the period. Overhaul and refurbishment periods include vessel travel time.

### Legend
- **CIP**: BEL - Bellingham to Skagway Route
- **On Line**: YPR - Prince Rupert to Skagway Route
- **On Line**: BEL-X-Gulf Bellingham Cross Gulf SW
- **Overhaul**: PWS - Prince William Sound
- **Overhaul**: SW - Southwest
- **Overhaul**: MET - Metlakatla Service
- **Overhaul**: NP - Northern Panhandle
- **Overhaul**: YPR-X-Gulf SW Pr, Rupert Cross Gulf Southwest
- **Layup**: NLC - SIT - Northern Lynn Canal + Sitka
- **Layup**: Mainline Vessels
- **Layup**: Feeder Vessels
- **Layup**: Southwest Vessels

Total Operating Weeks: 350.9

**Revision Number 16.11**
08/21/2015
FISCAL YEAR 2017 & BEYOND

- Continue to provide core services between Alaskan ports, Prince Rupert, and Bellingham

- Budget Constraints
  - Additional reductions in both Operating & Capital funds likely
  - Operating Plans & Schedules are being drafted accordingly

- New reservations system to improve customer service
  - Self Service Kiosks
  - Faster boarding, better security
  - Public roll-out in Spring of 2016

- Create efficiencies and reduce costs
- Retire vessels…Reduce Fleet and/or Reduce Routes
- New vessels: Two Alaska Class, Tustumena Replacement
Construction contract signed early October 2014 – Due 2018
- Keel laying ceremony was held on December 13, 2014
- Main engines have been purchased and delivered to Ketchikan
- Ferries will be 280-feet long
- Seat up to 300 passengers
- Carry 53 standard vehicles
- Feature bow and stern doors
- Enclosed car decks
- Controllable pitch propellers to maximize maneuverability and efficiency.
DAYBOAT ALASKA CLASS FERRIES
UPDATE

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Public information meetings held in spring 2014 in Homer, Kodiak, and Dutch Harbor

- Reconnaissance Report delivered in May 2014
- Final design process began January 2015
- Design completion expected December 2015
- Construction Funding & Contracting to Follow
Questions?

Captain Michael A. Neussl – Deputy Commissioner
Alaska DOT&PF, AMHS
(907) 465-6977
Michael.Neussl@Alaska.Gov