Overview of Phase 3

Tactical Strategy
Interim Measures
Action Plan

Challenging Times
Require All Hands on Deck
Project Team

Southeast Conference

Contractors
- McDowell Group
- Elliott Bay Design Group

Statewide Steering Committee

Governor, Lieutenant Governor, agencies

Legislature

Public
Tactical Legislative Strategy

- Articulate issues and solutions
- Coordinate actions and message
- Maintain public support and momentum
Task 1: Refine Core Message

Refine talking points

Example

- Without significant change the system is at risk of failure
- Pursuing legislation to transition AMHS to a public corporation
- Benefits: enhance revenue, private sector expertise, consistent leadership, longer planning horizon, alignment between labor and management
Task 2: Communication Tools

Case for AMHS Reform
www.amhsreform.com
PowerPoint presentations
Phase 1 Governance Study
Phase 2 Strategic Business and Operational Plan
Economic Impacts of the Alaska Marine Highway System
asks 3 & 4: Legislation and Stable Funding

Legislation initiated

Budget process is underway

- Supplemental
- FY 2019

Public support needed at strategic times
Task 5: Effective Legislative Communication

Legislative strategy team

Legislative strategy subcommittee

- Refine talking points
- Inform all legislators
- Target leadership, Transportation Committees
- Alert on timing for testimony, emails, letters
Task 6: Mobilize Statewide Support

Public outreach subcommittee

• Community presentations
• Target associations with shared interests
• Utilize AMHS Reform website and contacts
• Municipal and Tribal governments
• Media
Task 6 to 10: Midrange Actions

Following this session

• Strategic legislative communication
• Amplify statewide support
• Advocate for FY 2020 funding and interim measures
• Refine strategies for 2019 session
Concepts for Interim Measures

Actions that can be taken now that align with the larger objective
Enhance sustainability of the system
Stabilize Funding

System has no resiliency

Actions have long-term implications – don’t cannibalize system
Fleet and Terminal Standardization

System benefits from standardizing the fleet: training, labor contracts, maintenance, port operations

Modern automations can reduce crew requirements by 10 percent
Labor Relations

Shift from DOA to AMHS
- Enhance labor/management relations

Director of Labor Relations
- Free senior management from time spent in disputes, discipline, negotiations
- Build internal knowledge base and relationships needed to lead contract negotiations
Market and Revenue Analysis

Need to understand market to deploy resources

Phase 2 findings

- Bellingham = 44% of operating revenues
- Non-residents = 42% of revenues
- Alaskan passengers hail from 175 communities
- Non-resident passengers have statewide impacts
  - 51% ANC
  - 36% Denali
  - 2% Fairbanks
Market and Revenue Analysis

Deploy resources
Participate in industry growth
Phase 2 findings

• Bellingham = 44% of operating revenues
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• Alaskan passengers hail from 175 communities
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  • 51% ANC
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Mine Alaska Market Data

Fairbanks North Star Borough
- 3,316 passengers
- 1,409 vehicles
- Fairbanks, Fort Wainwright, North Pole, Eielson, Salcha, +

Bethel Census Area
- 281 passengers, 52 vehicles
- Aniak, Kipnuk, Kwethluk, Sleetmute, +
Operational Changes

Efficiencies available from vessel deployment, planning, maintenance
Board Development

Gain needed business knowledge and leadership skills to run the organization.
In Closing

Need a choir

• Importance of the system
• Statewide benefits
• Urgency of actions
• Hope for future