

**State of Alaska
FY2004 Governor's Operating Budget**

**Department of Transportation/Public Facilities
Marine Vessel Operations
Component Budget Summary**

Component: Marine Vessel Operations

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Component Mission

To provide safe, reliable and efficient transportation of people and vehicles between Alaskan communities, Canada and Bellingham, Washington.

Component Services Provided

The AMHS Marine Fleet Operations Component consistently meets the transportation needs of a diverse group of travelers. The multi-dimensional services offered by the AMHS, including cross-Gulf of Alaska sailings, provide a vital year round transportation link between road systems and many isolated Alaskan villages and towns. Moreover, this link allows for rapid delivery of perishable goods and products such as fresh produce and fresh Alaskan seafood. The transportation of essential construction equipment and materials plays a key role in supporting economic development. By the same token, transporting tourists to Alaskan communities injects revenue directly into local economies.

Component Goals and Strategies

Operate a safe, reliable and efficient fleet of Roll-on/Roll-off passenger vessels year-round.

- Provide quality services to every customer of the AMHS and improve our customer satisfaction ratings by training our crews in customer relations and food services.
- Allocate fleet resources to more closely match vessel capacity with customer demands. Match demands for Prince Rupert and Bellingham traffic with appropriate classed vessels. Meet growing demand for cross Gulf of Alaska traffic with M/V Kennicott.
- More efficiently deploy M/V Aurora in consideration of Inter-Island Ferry service and Southeast Alaska customer demands.
- Maintain compliance with the International Safety Management (ISM) Code fleet wide.
- Maintain vessel employees training levels in accordance with international and national standards.
- Recruit and train seasonal new hires in accordance with international regulations to ensure fully crewed vessels.

Key Component Issues for FY2003 – 2004

Additional component issues include completing Basic Safety Training certification and specialized training for all new designated AMHS mariners and maintaining and updating Safety Management System (SMS) required by the ISM Code. The AMHS will incorporate the IFA vessel (Hollis to Ketchikan service) into its operation and AMHS will maintain cross-Gulf of Alaska service to match growing customer demand.

Many changes are occurring in the fleet of the AMHS. A contract was awarded and construction has begun on two new fast vehicle ferries expecting delivery dates in 2004 and 2005. Also, the new Metlakatla shuttle ferry is expected in the spring 2004. As a result of this new shuttle in Southeast, the Aurora will be transferred to the Prince William Sound area and the Bartlett will be surplus. The addition of the new ferries will require many changes in how we do business. Crews will need to be trained under the demanding High Speed Craft Code.

Major Component Accomplishments in 2002

- All maritime employees were trained in mandatory Basic Safety Training through computer based training and practical demonstration training.
- A ship to shore communications link was established via email and local area network aboard all AMHS vessels.
- A Safety Officer was hired to oversee safety training and inspect vessels to assure staff and passengers have a safe environment.

Statutory and Regulatory Authority

AS 19
AS 44

Marine Vessel Operations
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	51,727.2	51,646.0
72000 Travel	0.0	457.0	455.8
73000 Contractual	0.0	7,025.2	7,021.6
74000 Supplies	0.0	14,369.0	14,242.9
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	0.0	73,578.4	73,366.3
Funding Sources:			
1076 Marine Highway System Fund	0.0	73,578.4	73,366.3
1135 Marine Highway Duplicated Expenditures	0.0	0.0	0.0
Funding Totals	0.0	73,578.4	73,366.3

Marine Vessel Operations

Proposed Changes in Levels of Service for FY2004

Reduction in authorization of \$212.5 will reduce the operational flexibility of management to develop a comprehensive ship schedule and may reduce overall vessel service. Cost saving measures will be pursued in an attempt to decrease the impact on services.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	0.0	0.0	73,578.4	73,578.4
Adjustments which will continue current level of service:				
-Transfer funds to Vessel Ops Management for FVF Port Captain	0.0	0.0	-25.0	-25.0
-Transfer fundings to Vessel Operations Management for Training Specialist position	0.0	0.0	-64.4	-64.4
-Transfer funds to Commissioner's Office for Deputy Commissioner	0.0	0.0	-123.1	-123.1
-Annualize FY2003 COLA for Confidential Bargaining Unit	0.0	0.0	0.4	0.4
FY2004 Governor	0.0	0.0	73,366.3	73,366.3

**Marine Vessel Operations
Personal Services Information**

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	646	646	Annual Salaries	204,863
Part-time	147	147	Premium Pay	26,517
Nonpermanent	0	0	Annual Benefits	88,539
			<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
Totals	793	793	Total Personal Services	319,919

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Amhs Dispatcher	0	0	2	1	3
Stock & Parts Svcs Journey II	0	0	0	2	2
Totals	0	0	2	3	5