

**State of Alaska  
FY2006 Governor's Operating Budget**

**Department of Transportation/Public Facilities  
Reservations and Marketing  
Component Budget Summary**

## Component: Reservations and Marketing

### Contribution to Department's Mission

To provide the best possible service to Alaska Marine Highway System (AMHS) customers and potential customers, increase awareness and interest in the system and ensure all requests for information, reservations, and tickets are answered and processed effectively.

### Core Services

The Reservations and Marketing sections create awareness of and interest in travel by Alaskans and visitors on Alaska Marine Highway by providing information, as well as reservation and ticketing services. The ability to generate interest and respond to inquiries has a direct impact on the number of travelers who choose to travel by ferry and, therefore, on the revenues generated by the system. Through staff in Juneau and Anchorage (and satellite and/or contract agents elsewhere throughout the system) we provide:

- Oral and written responses to over 200,000 telephone requests for information, reservations, or tickets each year, and more than 6,000 faxed requests.
- Responses to an increasing number of e-mail and Internet inquiries.
- Responses to over 8,000 Internet reservation requests.
- Specific point of contact (POC) reservation assistance to user groups with specialized needs such as, but not limited to, youth/student tour groups, packaged travelers (including tour groups), persons with disabilities, commercial companies, military, and travel agents.
- Policy, procedure, and computer training for shoreside staff, including terminals and other system personnel.
- Educational opportunities for staff to have a better understanding of tour and travel needs.
- Collection of additional passenger information as required by USCG for greater security, as well as collection of customer service data to improve onboard and shoreside service to customers.
- Regularly updated online schedules and two annual printed schedules. Both online and printed schedules serve as travel planning tools for potential customers.
- Distribution of almost 200,000 schedules through reservations centers, terminals and by direct mail to names generated by customers, travel agencies, government agencies, and/or consumer and trade advertising/promotions.
- Maintenance of Reservation Management System computerized vessel sailing timetables and tariffs.
- Proactive notification and rescheduling of passengers affected by schedule changes and vessel cancellations.
- Assistance to communities and ports served directly and indirectly with marketing and promotional efforts.
- Assistance to travel trade (travel agents, tour operators/wholesalers) to develop tour products inclusive of Alaska Marine Highway segments in order to increase ridership.
- Marketing meetings with other user groups such as freight shippers and coordination of advertising and promotional campaigns.
- Increased awareness of Alaska Marine Highway through increased targeted advertising, direct mail, public and press relations, trade show attendance and association memberships both instate and nationally.
- New community and Alaska partnerships including trade show and advertising co-ops and special promotions for each region. This includes continuing to work on future designation of the Marine Highway as an "All American Road" and partnering with communities, agencies and private sector partners to establish and brand the Southeast Alaska Trail System (SeaTrails).

FY2006 Resources Allocated to Achieve Results									
<b>FY2006 Component Budget: \$2,827,300</b>	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="padding: 2px 5px;"><b>Personnel:</b></td> </tr> <tr> <td style="padding: 2px 5px;">Full time</td> <td style="text-align: right; padding: 2px 5px;">18</td> </tr> <tr> <td style="padding: 2px 5px;">Part time</td> <td style="text-align: right; padding: 2px 5px;">9</td> </tr> <tr> <td style="padding: 2px 5px;"><b>Total</b></td> <td style="text-align: right; padding: 2px 5px;"><b>27</b></td> </tr> </table>	<b>Personnel:</b>		Full time	18	Part time	9	<b>Total</b>	<b>27</b>
<b>Personnel:</b>									
Full time	18								
Part time	9								
<b>Total</b>	<b>27</b>								

## Key Component Challenges

The Department is always looking at ways to improve the efficiency of the AMHS reservations process. Changes to the Reservations Management System (RMS3) computerized reservation system have been identified to reduce the time required to generate or modify reservations. A new Online Reservation System has been launched with technology that enables customers to make and pay for reservations via the AMHS website.

An emphasis on the recruitment, training, and retention of qualified reservation agents is critical to providing excellent customer service that the public rightfully demands. Because these agents are Alaska Marine Highways' "front line" in communication with the traveling public, they need to have rapid, accurate information and direction in regard to routine schedule changes, major incidents, and marketing promotions.

In FY05, the change of telephone service provider, from ACS to GCI, for state communication services has required a different method for reservation call center managers to distribute overflow calls to terminals and satellite offices during periods of peak call demand.

To assist the Department in generating more revenue to support the AMHS, new marketing strategies continue to be developed. The Department is identifying computer system changes needed to gather additional passenger information that will assist additional marketing efforts. And as part of the marketing and revenue generating strategies, continuous analysis is necessary to assure peak season passenger, vehicle and cabin tariffs are what the market will bear. The department is developing a business development approach in overseeing the marketing, reservations and scheduling functions to make them more interactive and interrelated.

## Significant Changes in Results to be Delivered in FY2006

No change in service level for FY2006.

## Major Component Accomplishments in 2004

- To better train new reservation staff, the training program has been revised and expanded to give new agents a more comprehensive knowledge of the Reservations Management System and Marine Highway policies and procedures. The Fish! Philosophy has been integrated into the training and shared with terminal managers throughout the System.
- The reservation section provided expanded telephone service by two hours Mondays through Fridays and by eight hours on Saturdays and Sundays during the peak summer travel season. We were also able to initiate new toll free reservation services for our Canadian customers at no extra cost to the state.
- Reservation management is corroborating with GCI, the new telephone service provider, to develop, test, and introduce an enhanced call allocation system to direct overflow calls to terminals, contractors, and satellite offices. This system will be made available to Alaska Marine Highway at no extra cost to the state.
- All staff worked hard to implement and support marketing strategies and special promotions to increase ridership and revenues.
- Marketing coordinated the "public" launch of the *M/V Fairweather*, including: the christening ceremony with Mrs.

Murkowski as sponsor; and holding open houses in Seattle and Juneau. The maiden voyage(s) and first-day (stamp) covers were also coordinated by this office.

- Marketing coordinated the “public” launch of the M/V *Lituya* in Morgan City, Louisiana, including the christening ceremony with Mrs. Leman as sponsor and its maiden voyage in early May '04.
- The Online Alaska Reservation System (OARS) user interface and application structure was redesigned to encourage more people to make ferry reservations on line. One new feature allowing customers to pay within 24 hours, rather than immediately, has been particularly well received. Marketing contracted with two firms, GMA Research and Susan Blank & Associates to test the accessibility and usability of OARS in its first year of operation. Recommendations are in the process of being incorporated into the system.
- We participated in the Alaska Travelers Survey (McDowell Group), additional research regarding summer visitors and use of the Marine Highway.
- Cooperative marketing efforts continued to allow the Marine Highway to leverage minimal marketing funds to provide maximum public awareness of the system. This included a continued strong relationship with the Alaska Travel Industry Association (ATIA), and being recognized as a partner by the tour and travel community.
- The fall-winter-spring schedule and the summer schedule were produced at reduced cost to the state.
- Promotions were offered year-round, such as *Around Revilla* and *Tracy Arm* one-day excursions. The *All You Can Travel*- PFD special, to increase awareness of and ridership on the Marine Highway (between November 1 and March 31) was sold to more than 180 – an increase of more than 100 percent over the previous year (87 sold).
- Strong relationships were developed with communities by offering co-operative participation at trade shows and in advertisements. Additionally, the Marine Highway spearheaded/coordinated numerous press trips and tour operator product development trips to increase potential ridership on the system and overnights in the communities we serve. New tours/tour operators were added in FY04 and millions of dollars of press was generated on our behalf.
- Marketing spoke at numerous community, statewide and national meetings to increase awareness of the system and its viability as a tour and travel partner.
- The system is the first water based highway to be designated as a National Scenic Byway. The system held a year long “Sail abration” to highlight the designation.
- AMHS is now able to accept online credit card payments.

## Statutory and Regulatory Authority

AS 19  
AS 44

### Contact Information

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### Reservations and Marketing Component Financial Summary

*All dollars shown in thousands*

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,212.7	1,354.4	1,414.9
72000 Travel	22.9	30.8	30.8
73000 Services	576.5	858.9	1,358.9
74000 Commodities	12.9	22.7	22.7
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,825.0</b>	<b>2,266.8</b>	<b>2,827.3</b>
<b>Funding Sources:</b>			
1076 Marine Highway System Fund	1,825.0	2,266.8	2,827.3
<b>Funding Totals</b>	<b>1,825.0</b>	<b>2,266.8</b>	<b>2,827.3</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Unrestricted Revenues</b>				
Unrestricted Fund	68515	2.5	0.0	0.0
<b>Unrestricted Total</b>		<b>2.5</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Restricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>2.5</b>	<b>0.0</b>	<b>0.0</b>

**Summary of Component Budget Changes  
From FY2005 Management Plan to FY2006 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>2,266.8</b>	<b>2,266.8</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 05 Bargaining Unit Contract Terms: GGU	0.0	0.0	13.3	13.3
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	43.3	43.3
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	0.0	3.9	3.9
<b>Proposed budget increases:</b>				
-Implement marketing campaign for AMHS	0.0	0.0	500.0	500.0
<b>FY2006 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>2,827.3</b>	<b>2,827.3</b>

**Reservations and Marketing  
Personal Services Information**

<b>Authorized Positions</b>		<b>Personal Services Costs</b>		
<u>FY2005</u>				
<u>Management</u>		<u>FY2006</u>		
<u>Plan</u>		<u>Governor</u>		
Full-time	18	18	Annual Salaries	909,817
Part-time	9	9	COLA	12,690
Nonpermanent	0	0	Premium Pay	6,746
			Annual Benefits	558,420
			<i>Less 1.79% Vacancy Factor</i>	(26,573)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>27</b>	<b>27</b>	<b>Total Personal Services</b>	<b>1,461,100</b>

**Position Classification Summary**

<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
Administrative Clerk III	2	0	15	0	17
Administrative Supervisor	0	0	3	0	3
Ferry Services Mngr I	0	0	1	0	1
Ferry Services Mngr III	0	0	1	0	1
Marine Traffic Manager	0	0	1	0	1
Publications Spec II	0	0	1	0	1
Reservations Specialist	1	0	2	0	3
<b>Totals</b>	<b>3</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>27</b>