

**State of Alaska**  
**FY2007 Governor's Operating Budget**

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

## Component: Vessel Operations Management

### Contribution to Department's Mission

To provide safe, secure, reliable and efficient transportation of people, goods and vehicles through the Alaska Marine Highway System (AMHS) by developing sound policy and procedures for operations, and staffing with well trained professionals who are sensitive to the needs of our customers.

### Core Services

Vessel Operations Management oversees the operation of 11 ships and 16 terminals with 800 vessel employees and 126 personnel ashore.

Other services provided include:

Develop, implement and enforce policies and procedures of AMHS.

Enforce labor contracts and to schedule qualified employees for work assignments to meet required staffing levels including vacation and sick leave reliefs.

Provide training of vessel and terminal personnel to enhance safety and service for the traveling public and meet the Standards for Training, Certification and Watch keeping for Seafarers (STCW) requirements for mariners.

Provide support for vessel and terminal personnel in the performance of their duties to enhance efficient and customer-oriented operations.

Provide security for our employees, passengers and vessels as per the system wide security regulations of the Federal Maritime Transportation Security Act (MTSA).

### FY2007 Resources Allocated to Achieve Results

**FY2007 Component Budget: \$2,176,100**

**Personnel:**

Full time	23
Part time	0
<b>Total</b>	<b>23</b>

### Key Component Challenges

Many changes are occurring in the AMHS fleet. The Fast Vehicle Ferry (FVF) Chenega will operate during winter 2005 - 2006 from Ketchikan to Wrangell, and Petersburg, connecting in Petersburg with the FVF Fairweather running to Juneau. This route will provide seamless day boat service from Ketchikan to Juneau three days a week. The system continues to refine the concept of operating the FVF as a day boat with all maintenance and servicing conducted at night. FVF crews continue to be trained under the demanding High Speed Craft Code, which also requires very specific recertification of the operating crews. This specialized training will continue to be a challenge in addition to standard fleet training requirements.

Security will also be a challenge going forward. New federal rules require security plans to be in place for both the vessels, and the terminals. Compliance with these new rules will require both changes to the physical terminal infrastructure, along with training for both shipboard and terminal employees. Terminal security plans and training are an ongoing process. Shore side security organization and structure will continue to challenge the AMHS, requiring

frequent update and planning meetings. Also, new MTSA regulations will provide challenges going forward. It is believed that these regulations are only the start, with new security regulations and requirements to follow.

Fleet personnel retirement and turnover has been a problem causing management to apply aggressive employee recruitment via maritime academies, trade journals, and the Washington State Ferry system.

### **Significant Changes in Results to be Delivered in FY2007**

No significant change anticipated.

### **Major Component Accomplishments in 2005**

Provided 349 total operating weeks of service in Southeast and Southwest Alaska including cross-Gulf of Alaska service connecting the two systems, and the interior.

Successfully operated the FVF Fairweather under the International High Speed Code.

Successfully operated the M/V Lituya, which is the first vessel in the AMHS fleet to operate under the subchapter T rules.

Successfully relocated the AMHS headquarters from Juneau to Ketchikan.

Reorganized shoreside office structure eliminating one Administrative Manager I position, replacing it with an Assistant Administrative Manager, eliminated one vessel Construction Manager, downgraded an Engineer/Architect position to a Vessel Construction Manager I position.

Maintained full service, year round, across the Gulf of Alaska and in Southeast with the M/V Kennicott and M/V Tustumena.

Implemented the required federal MTSA security training for vessel, shore side, and terminal personnel.

Generated the highest amount of revenue in the history of the AMHS.

Re-deployed the M/V Aurora to Prince William Sound providing uninterrupted summer service and added vehicle and passenger capacity in Prince William Sound.

### **Statutory and Regulatory Authority**

AS 19  
AS 44

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**Vessel Operations Management  
Component Financial Summary**

*All dollars shown in thousands*

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,376.7	1,867.4	1,988.5
72000 Travel	60.2	41.9	41.9
73000 Services	101.4	45.0	45.0
74000 Commodities	36.1	43.1	100.7
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>1,574.4</b>	<b>1,997.4</b>	<b>2,176.1</b>
<b>Funding Sources:</b>			
1061 Capital Improvement Project Receipts	0.0	87.3	0.0
1076 Marine Highway System Fund	1,574.4	1,910.1	2,176.1
<b>Funding Totals</b>	<b>1,574.4</b>	<b>1,997.4</b>	<b>2,176.1</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Capital Improvement Project Receipts	51200	0.0	87.3	0.0
<b>Restricted Total</b>		<b>0.0</b>	<b>87.3</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>0.0</b>	<b>87.3</b>	<b>0.0</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>1,997.4</b>	<b>1,997.4</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	34.6	34.6
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	4.1	4.1
-FY 07 Retirement Systems Cost Increase	0.0	0.0	64.4	64.4
<b>Proposed budget increases:</b>				
-Alaska Land Mobile Radio (ALMR) operations	0.0	0.0	57.6	57.6
-Risk Management Self-Insurance Funding Increase	0.0	0.0	18.0	18.0
<b>FY2007 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>2,176.1</b>	<b>2,176.1</b>

**Vessel Operations Management  
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	23	23	Annual Salaries	1,234,753
Part-time	0	0	COLA	34,863
Nonpermanent	0	0	Premium Pay	27,747
			Annual Benefits	719,903
			<i>Less 1.43% Vacancy Factor</i>	(28,766)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>23</b>	<b>23</b>	<b>Total Personal Services</b>	<b>1,988,500</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	0	1	1
Administrative Clerk I	0	0	0	1	1
Administrative Clerk III	0	0	0	1	1
Amhs Dispatch Supervisor	0	0	0	1	1
Amhs Dispatcher	0	0	0	1	1
Amhs Security Officer	0	0	0	1	1
Asst Port Captain	0	0	0	1	1
Dev Spec II, Option A	0	0	0	1	1
Division Director	0	0	0	1	1
Ferry Services Manager IV	0	0	0	1	1
Marine Trans Srvs Mgr	0	0	1	1	2
Passenger Services Insp	0	0	0	2	2
Port Captain	0	0	0	2	2
Prog Coordinator	0	0	0	1	1
Research Analyst II	0	0	0	1	1
Safety Officer	0	0	0	1	1
Secretary	0	0	0	1	1
Ship Services Mgr/Port Steward	0	0	1	0	1
Training Specialist II	0	0	0	1	1
Vessel Scheduling Coordinator	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>20</b>	<b>23</b>