

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

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

Component: Vessel Operations Management

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Component Mission

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

Component Services Provided

Vessel Operations Management operates 9 ships and 20 terminals with 800 vessel employees and 80 personnel ashore. Additionally, these vessels call on another 14 ports owned by private entities. Other services provided:

- Develop, implement and enforce policies and procedures of AMHS.
- Enforce labor contracts that provide benefits for AMHS employees without incurring increased costs 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 travelling public and meet the Standards for Training, Certification and Watchkeeping 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.

Component Goals and Strategies

Provide the public safe, reliable and efficient marine transportation that supports the social, economic and cultural well being of isolated Alaskan communities.

- Maintain the largest fleet of Roll-on/Roll-off passenger vessels in the U.S. to efficiently meet a published schedule and provide effective service in future operations. Through federally funded Capital Improvement Projects (CIP), the service life of mainline and oceangoing vessels will be extended. The replacement of the most inefficient vessels with more economical ships will occur as per the Southeast Alaska Transportation Plan, the Southwest Alaska Transportation Plan and the Prince William Sound Transportation Plan.
- Standardize fleet-wide operational procedures required by the International Safety Management (ISM) Code articulated in the AMHS Safety Management System (SMS) through annual audits of all AMHS ships.
- Train all vessel employees in Basic Safety Training and 13 other courses and certify that they meet all the safety requirements of STCW.
- Meet the traffic demands of the travelling public by soliciting community input in the development of fall/winter/spring and summer schedules and adjusting services based upon traffic predictions from the Marketing and Tariff Study.
- Improve internal and external communications through the use of technology and timely use of the AMHS website for updating the published schedule on-line and publishing the AMHS Newsletter for all employees quarterly.
- Coordinate with planners the development of the Southwest Alaska Transportation Plan and the Prince William Sound Transportation Plan.
- Maintain the financial viability of the System.
- Improve customer service with timely updates of the AMHS website for travel promotions, schedule changes and service marketing along with reducing costs by developing online reservations.
- Provide additional service to and from Bellingham during peak season to maximize revenue generation.
- Improve customer satisfaction by improving food service aboard AMHS vessels and training shipboard employees in customer relations.
- Hire more new vessel employees for each summer season so crew members will not be held over another week and overtime will be reduced by 10%.
- Appoint Master or Mate with specialized training required to introduce the fast vehicle ferry program to the active fleet.

Key Component Issues for FY2003 – 2004

- With the imminent implementation of the Southeast Alaska Transportation Plan, there are many aspects of how AMHS does business that must be looked at differently. First, the Plan must be integrated into the development of future operations, vessel maintenance and terminal construction schedules. Also, the operational parameters, staffing and crew training for the new fast vehicle ferries proposed in the Plan must be established.
- Many changes are occurring in the AMHS fleet. 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. Changes in how we provide service, modifications to the transfer facilities, training of crews will be necessary to accommodate these changes.

Major Component Accomplishments in 2002

- Provided 293.7 total operating weeks of service in SE and SW Alaska including cross-Gulf of Alaska service connecting the two systems.
- Operated the Malaspina as a "dayboat" in North Lynn Canal during the FY02 summer season, adding greater vehicle and passenger capacity in the Northern Gateway.
- Maintained full service across the Gulf of Alaska and in Southeast with the M/V Kennicott. Operated all other vessels with minimal loss of service due to breakdowns.
- Completed AMHS Security Plan.

Statutory and Regulatory Authority

AS 19
AS 44

Vessel Operations Management
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,093.2	1,255.2	1,436.2
72000 Travel	29.0	36.9	36.9
73000 Contractual	89.1	45.0	45.0
74000 Supplies	60.6	43.1	43.1
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	1,271.9	1,380.2	1,561.2
Funding Sources:			
1061 Capital Improvement Project Receipts	0.0	0.0	77.0
1076 Marine Highway System Fund	1,271.9	1,380.2	1,484.2
Funding Totals	1,271.9	1,380.2	1,561.2

Vessel Operations Management
Proposed Changes in Levels of Service for FY2004

The new fast vehicle ferry (FVF) Port Captain will coordinate the introduction of the fast vehicle ferries into operational service in Alaska.

The new Training Specialist will ensure vessel employees are trained and qualified to meet U.S. Coast Guard standards to operate AMHS vessels.

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	1,380.2	1,380.2
Adjustments which will continue current level of service:				
-Transfer funds from Marine Vessel Ops for FVF Port Captain	0.0	0.0	25.0	25.0
-Transfer position and funding from Marine Engineering for FVF Port Captain	0.0	0.0	77.0	77.0
-Transfer funding from Marine Vessel Operations for Training Specialist position	0.0	0.0	64.4	64.4
-Annualize FY2003 COLA for General Government, Confidential and Supervisory Bargaining Units	0.0	0.0	12.9	12.9
-\$75 per Month Health Insurance Increase for Non-covered Staff	0.0	0.0	1.7	1.7
FY2004 Governor	0.0	0.0	1,561.2	1,561.2

Vessel Operations Management

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	18	20	Annual Salaries	1,092,675
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	394,229
			<i>Less 3.41% Vacancy Factor</i>	(50,704)
			Lump Sum Premium Pay	0
Totals	18	20	Total Personal Services	1,436,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk I	0	0	1	0	1
Administrative Clerk III	0	0	1	0	1
Administrative Manager I	0	0	1	0	1
Asst Port Captain	0	0	1	0	1
Dev Spec II, Option A	0	0	1	0	1
Division Director	0	0	1	0	1
Marine Trans Svcs Mgr	0	0	1	0	1
Passenger Services Insp	0	0	2	0	2
Personnel Asst II	0	0	1	0	1
Personnel Officer I	0	0	1	0	1
Port Captain	0	0	2	0	2
Prog Coordinator	0	0	1	0	1
Safety Officer	0	0	1	0	1
Secretary	0	0	1	0	1
Ship Services Mgr/Port Steward	0	0	1	0	1
Terminal Services Manager	0	0	1	0	1
Training Specialist	0	0	1	0	1
Vessel Scheduling Coordinator	0	0	1	0	1
Totals	0	0	20	0	20