

**State of Alaska  
FY2005 Governor's Operating Budget**

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

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**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 section creates awareness of and interest in travel by Alaskans and visitors on the AMHS. Additionally, it provides information, as well as reservation and ticketing services for passengers. The ability to generate interest in the AMHS and respond to inquiries has a direct impact on the number of travelers who choose to travel by ferry and 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.
- Targeted marketing assistance by reservation staff to specific user groups 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. Printed schedules are prepared at no cost to the state of Alaska. 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..
- 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/increase ridership.
- Marketing meetings with other user groups such as freight shippers and coordination of advertising and promotional campaigns.
- Increased awareness of the AMHS through increased targeted advertising, direct mail, public and press relations, trade show attendance and association memberships both instate and nationally.
- New community/Alaska partnerships including trade show/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).

**FY2005 Resources Allocated to Achieve Results**

<b>FY2005 Component Budget: \$2,264,000</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 is being launched with technology that enables customers to make and pay for reservations via the AMHS website. An emphasis on the recruitment and training of seasonal employees is critical to customer assistance during the peak reservation season.

To assist the Department in generating more revenues to support the AMHS, new marketing strategies are being developed. To promote the use of the AMHS website, web specials will be offered. The Department is identifying computer system changes needed to gather additional passenger information that will help plan additional marketing efforts. And as part of the marketing/revenue generating strategies, continuous analysis is necessary to assure peak season passenger, vehicle and cabin tariffs are what the market will bear.

## Significant Changes in Results to be Delivered in FY2005

No change in service level for FY2005

## Major Component Accomplishments in 2003

- The department and public celebrated the Alaska Marine Highways' 40<sup>th</sup> anniversary.
- The Online Alaska Reservation System (OARS) user interface and application structure was redesigned to encourage more people to make ferry reservations on line.
- Cooperative marketing efforts allowed the AMHS to leverage minimal marketing funds to provide maximum public awareness of the system. This included developing a 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 no cost to the state.
- Promotions were offered year-round, including a PFD special, to increase awareness of and ridership on the Marine Highway (especially in fall-winter-spring).
- 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.
- The system is the first water-based highway to be designated as a National Scenic Byway. The system held a year-long "Sail-abration" (currently in progress) to highlight the designation.
- The AMHS accepted online credit card payments.

## Statutory and Regulatory Authority

AS 19

AS 44

### Contact Information

**Contact:** Tom Briggs, Director of Marine Operations  
**Phone:** (907) 465-3902  
**Fax:** (907) 586-8365  
**E-mail:** Tom\_Briggs@dot.state.ak.us

### Reservations and Marketing Component Financial Summary

*All dollars shown in thousands*

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,197.6	1,287.4	1,351.6
72000 Travel	20.6	30.8	30.8
73000 Contractual	554.4	858.9	858.9
74000 Supplies	46.3	22.7	22.7
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
<b>Expenditure Totals</b>	<b>1,818.9</b>	<b>2,199.8</b>	<b>2,264.0</b>
<b>Funding Sources:</b>			
1076 Marine Highway System Fund	1,818.9	2,199.8	2,264.0
<b>Funding Totals</b>	<b>1,818.9</b>	<b>2,199.8</b>	<b>2,264.0</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<b>Unrestricted Revenues</b>				
Unrestricted Fund	68515	0.3	0.0	0.0
<b>Unrestricted Total</b>		<b>0.3</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>0.3</b>	<b>0.0</b>	<b>0.0</b>

**Summary of Component Budget Changes  
From FY2004 Authorized to FY2005 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2004 Authorized</b>	<b>0.0</b>	<b>0.0</b>	<b>2,199.8</b>	<b>2,199.8</b>
<b>Adjustments which will continue current level of service:</b>				
-Changes to Retirement and Other Personal Services Benefits	0.0	0.0	64.2	64.2
<b>FY2005 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>2,264.0</b>	<b>2,264.0</b>

Reservations and Marketing Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2004</u> <u>Authorized</u>	<u>FY2005</u> <u>Governor</u>		
Full-time	18	18	Annual Salaries	907,522
Part-time	9	9	Premium Pay	6,710
Nonpermanent	0	0	Annual Benefits	468,516
			<i>Less 2.25% Vacancy Factor</i>	(31,148)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>27</b>	<b>27</b>	<b>Total Personal Services</b>	<b>1,351,600</b>

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
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>