

**State of Alaska
FY2006 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 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 operates 10 ships 16 terminals and visits a total of 33 ports of call with 745 vessel employees and 115 personnel ashore. 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 traveling 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 As per the system wide security regulations of the Federal Maritime Transportation Security Act (MTSA).

FY2006 Resources Allocated to Achieve Results		
FY2006 Component Budget: \$1,875,800	Personnel:	
	Full time	22
	Part time	0
	Total	22

Key Component Challenges

- 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. Construction has been completed on one new fast vehicle ferry and another continues with expected delivery dates in the spring 2005. Also, the new Metlakatla shuttle ferry was delivered in the spring 2004. As a result of these new ferries in Southeast, the Aurora was transferred to the Prince William Sound area and the Bartlett has been surplused. 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, and training of crews will be necessary to accommodate these changes.
- 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.
- Alaska Supply Chain Integrators took over as the new DOT&PF purchasing and contracting staff on 7/1/2004. This move away from a state operated supply source, the potential closure of the warehouse in Juneau, and a shift to an on demand supply will present challenges going forward.
- The system continues to refine the concept of operating the FVF as a day boat with all maintenance and servicing

conducted at night. The second FVF commences service in Prince William Sound in the spring of 2005.

Significant Changes in Results to be Delivered in FY2006

A Company Security Officer will be implementing and maintaining newly enacted security regulations mandated by the Federal Maritime Transportation Security Act. These mandates include provisions to establish specific procedures for maintaining physical, passenger, cargo, and personnel security.

Major Component Accomplishments in 2004

- Provided 306 total operating weeks of service in SE and SW Alaska including cross-Gulf of Alaska service connecting the two systems.
- Successfully operated the FVF Fairweather under the International High Speed Code. This is the first FVF vessel to operate under this code in the United States.
- Successfully started operation of the M/V Lituya, which is the first vessel in the AMHS fleet to operate under the subchapter T rules.
- Successfully relocated the AMHS head quarters from Juneau to Ketchikan
- 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, shoreside, and terminal personnel.
- Continued progress on the AMHS meets federal guidelines for the required terminal security infrastructure modifications.
- 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.
- Continued to provide summer service to the Northern Panhandle after the LeConte grounding
- Successfully salvaged and repaired the M/V LeConte.

Statutory and Regulatory Authority

AS 19
AS 44

Contact Information
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Vessel Operations Management Component Financial Summary

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,503.8	1,690.9	1,745.8
72000 Travel	35.2	41.9	41.9
73000 Services	52.2	45.0	45.0
74000 Commodities	33.8	43.1	43.1
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
Expenditure Totals	1,625.0	1,820.9	1,875.8
Funding Sources:			
1061 Capital Improvement Project Receipts	85.5	81.9	84.2
1076 Marine Highway System Fund	1,539.5	1,739.0	1,791.6
Funding Totals	1,625.0	1,820.9	1,875.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Managem ent Plan	FY2006 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	0.1	0.0	0.0
Unrestricted Total		0.1	0.0	0.0
Restricted Revenues				
Capital Improvement Project Receipts	51200	85.5	81.9	84.2
Restricted Total		85.5	81.9	84.2
Total Estimated Revenues		85.6	81.9	84.2

**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>
FY2005 Management Plan	0.0	0.0	1,820.9	1,820.9
Adjustments which will continue current level of service:				
-FY 05 Bargaining Unit Contract Terms: GGU	0.0	0.0	6.9	6.9
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	42.9	42.9
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	0.0	5.1	5.1
FY2006 Governor	0.0	0.0	1,875.8	1,875.8

Vessel Operations Management Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2005 Management Plan	FY2006 Governor		
Full-time	22	22	Annual Salaries	1,173,529
Part-time	0	0	COLA	11,860
Nonpermanent	0	0	Premium Pay	21,027
			Annual Benefits	616,598
			<i>Less 0.92% Vacancy Factor</i>	(16,814)
			Lump Sum Premium Pay	0
Totals	22	22	Total Personal Services	1,806,200

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk I	0	0	0	1	1
Administrative Clerk III	0	0	0	1	1
Administrative Manager I	0	0	0	1	1
Amhs Dispatcher	0	0	0	1	1
Asst Port Captain	0	0	0	1	1
Company Security Officer	0	0	0	1	1
Dev Spec II, Option A	0	0	1	0	1
Division Director	0	0	0	1	1
Ferry Services Manager IV	0	0	0	1	1
Human Resource Specialist I	0	0	1	0	1
Marine Trans Svcs Mgr	0	0	0	1	1
Passenger Services Insp	0	0	1	1	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	0	0	0	1	1
Vessel Scheduling Coordinator	0	0	1	0	1
Totals	0	0	5	17	22