

**State of Alaska
FY2013 Governor's Operating Budget**

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

Component: Marine Vessel Operations

Contribution to Department's Mission

Provide safe, reliable, and efficient transportation of people and vehicles between Alaskan communities, Canada and Bellingham, Washington.

Core Services

- Operations provides for the transport of people, goods, and vehicles to and from 33 ports along 3,500 track miles from Bellingham, Washington, through Southeast Alaska, across the Gulf of Alaska to Prince William Sound and South Central Alaska, to Kodiak Island, the Alaskan Peninsula and out the Aleutian Island Chain to Unalaska.
- Meet U.S. Coast Guard (USCG) requirements by staffing Alaska Marine Highway System (AMHS) vessels with qualified employees.
- Provide quality service to every customer including housekeeping, food service, gift shops, bar service, and first responder medical assistance.
- Certify all shipboard employees under the Standards for Training, Certification, and Watch-keeping for Seafarers (STCW) program.
- Provide System-wide security per the regulations of the Federal Maritime Transportation Security Act.

Key Component Challenges

The AMHS continues to be challenged to provide specific training and certification for all vessel crews to comply with STCW/SOLAS requirements for ocean-going vessels and for those calling at foreign ports, such as Prince Rupert. The AMHS has recently learned that the USCG is proposing new regulations which could very severely impact our SOLAS class vessels, and the ability of the crews who man those SOLAS class vessels, to upgrade and/or obtain the licenses needed to operate our vessels which call at Prince Rupert, Canada. Also included in these proposed regulations are increased crew work-rest requirements on the SOLAS class vessels. The new proposed regulations could have a very negative effect on the AMHS's ability to operate in and out of Canada, along with the threat of our ships not having the right of free passage thru Canadian waters which is also needed for our ships to transit from Alaska to Bellingham. The proposed work-rest regulations could also create a situation where the AMHS would need to re-negotiate vessel union labor contracts for our 3 SOLAS classed ships. The Deputy Commissioner, General Manager, and Operations Manager have all submitted letters to the USCG requesting that changes be made to the proposed regulations before they become law, and that an extension, in general, be granted until the AMHS has more time to assess the new proposed regulations.

The AMHS also continues to be challenged by the ever increasing Maritime Transportation Security Act (MTSA) federal security regulations. As security regulations increase, the AMHS continues to adjust and has streamlined and consolidated the vessel security plans.

AMHS will be conducting a major winter 2011/ 2012 capital improvement overhaul project of the M/V Aurora. This overhaul is being accomplished with federal funding.

The system now has the continuing requirements of meeting Occupational Safety and Health Administration (OSHA) regulations and inspections at all of the state operated vessel terminals, as well as increased inspections at all AMHS terminals.

The system is in need of updating the entire food service program. This update will encompass fleet wide standardization of menus and training for food preparation. The update will also provide meal item nutritional information and ingredients to the traveling public through labeling requirements.

On a federal level the EPA is beginning to put into effect regulations which will, in effect, control and regulate the levels of diesel engine emissions going into the air. At this point in time, as the AMHS conducts vessel engine overhauls, additional engine cylinder kits must be installed, at additional cost and manpower, along with the associated planning necessary to meet these requirements. AMHS has also been required to secure EPA Vessel

General Permits (VGP). The VGP is a process by which AMHS acknowledges that plans are in place to address the 22 possible types of incidental vessel discharges. AMHS has experienced costs in producing the permit plans and there are also associated vessel crew costs with complying with the plans.

The new VGP regulations have become a challenge to AMHS in that the process of washing our vehicle decks can, under some situations such as debris accumulating on the vehicle decks from vehicles, livestock trailers, or fish vans, cause the deck to need to be cleaned up by ships crews before the vehicle decks can be washed down via a filtering process. This new situation has created additional operating costs for AMHS.

Federal EPA regulations have prompted AMHS to respond with plans to create an environmental guide for AMHS vessels and shore side facilities. In order to satisfy increasing regulation, this guide will serve as an overall program manual with specific instructions for handling and transferring materials within the AMHS. All of this material must be stored and eventually transported by regulated environmental contractors at significant cost to AMHS.

The Alaska State Department of Environmental Conservation (ADEC) continues to regulate vessel wastewater discharge and AMHS has just completed outfitting the last mainline vessel with new vessel wastewater treatment units. As these new wastewater treatment units are new and complex to operate, AMHS has incurred additional vessel labor costs to operate them.

The Alaska State Department of Environmental Conservation continues to regulate underground fuel storage tanks located within our marine terminals. Removal or modifications to monitor integrity of those underground fuel storage tanks is required. Additionally reporting to ADEC is required with regards to the monitoring of our underground sewage systems also located within our marine terminals. Both the removal of underground tanks, and the modification of other tanks in the ground, has been costly for AMHS.

On a state level the Washington State Department of Environmental Conservation (WDEC) has regulations which restrict water discharges of any type off of the ships or Bellingham terminal. At present, these regulations go beyond regulations currently in place by the EPA regarding runoff water and thus requires AMHS to provide contracted vehicle deck cleaning crews and equipment when our ships are in the Port of Bellingham. These regulations add to the cost of AMHS operations.

AMHS continues to be challenged with the process of assuring, tracking, and recording vessel crew training and the various licenses and certificates which all vessel crews must possess. This is a very labor intensive process and is becoming more of a challenge as more crew training and certification are constantly being required. This process is also an ever increasing cost to operating AMHS.

It is expensive and sometimes difficult to provide replacement service should AMHS vessels have a mechanical breakdown or during times of scheduled maintenance or dock outages. When outsourced replacement service is provided it is usually not of the same capability or capacity, despite the cost, which can create a lack of service to affected communities.

New docks are being constructed and requests are being made for AMHS to increase service to those communities. For example Gustavus has recently been added to the AMHS schedule, and soon the city of Ouzinkie will have a new dock finished, and they are requesting service, which could add another port of call to the system. AMHS is attempting to provide this additional service with existing resources without affecting established service to other communities.

The communities of Angoon and Hoonah have recently had upgrades to their mooring facilities to accommodate fast ferry operations in these two communities. To establish that service with the fast ferries, AMHS needed to develop route operating data which needed to be approved by the USCG and additional crew route training had to be conducted at additional cost. As the fast ferry Fairweather will be replacing the fast ferry Chenega in Prince William Sound during the winter of 2011/2012, so that the fast ferry Chenega can have needed engine repair work conducted, additional route data also was needed to be approved by the USCG and added to the FVF Fairweather route operating manual.

During the winter of 2010/2011 the fast ferry Chenega was caught in heavy weather in Prince William Sound and was not able to return to port and therefore was forced to spend the night in Prince William Sound. As a result of this

situation, the USCG sector responsible for Prince William Sound required AMHS to produce a very extensive heavy weather operating and route manual with procedures and routes to be used during times of heavy weather in Prince William Sound. The production of this manual was costly and labor intensive.

During the winters of 2010/2011 and 2011/2012, AMHS has needed to operate a fast ferry in Prince William Sound during the winter months. The reason for this operational decision is the needed maintenance of, and relief duties of, the M/V Aurora for the M/V LeConte. This situation required that the Aurora to be removed from Prince William Sound during those winter months. AMHS continues to maintain that winter operations for fast ferries in Prince William Sound are extremely challenging with multiple weather related cancellations already this fall.

In the future, AMHS faces many decisions regarding the development of new vessels and their integration into the fleet as well as the phasing out of the system's older vessels. The system is now designing the Alaska Class shuttle ferry and has the challenge of completing the design and then continuing on with the construction of the first Alaska Class Ferry. As the fleet vessels age, we are challenged with additional maintenance requirements, and possible reductions in federal funding to accomplish the increasing maintenance.

In addition to a new Alaska Class Ferry, the system must also look to the replacement of the M/V Tustumena. The M/V Tustumena was constructed in 1963, and has seen many years of tough duty running on our northern most and western most routes. The design and construction of this vessel will add additional challenges.

Another challenge is the need to replace, at an estimated cost of \$25 million dollars, the M/V Columbia main engines. AMHS is currently engaged in the design process for new main engines, which will need to meet the newer, stricter environmental emission standards.

Management continues to work with vessel crews to encourage the acquisition of deck officer pilotage qualifications. This is, in some cases, proving to be very challenging. AMHS vessels continue to be challenged by deck officers needing all of the USCG licenses required for the ships which they crew, but also the requirement of needing the additional pilotage licenses for the areas in which our ships operate. Such a qualification requires time and experience operating in the affected area.

AMHS has its 50 anniversary celebration upcoming in 2013 and we have started to plan the celebrations which will talk place over the next 2 year period of time using in house capability and the services of our contracted marketing and public relations agency through a contract modification (at additional expense).

AMHS continues to work with the Department of Law in an attempt to resolve the known mechanical problems discovered with the fast ferry engines. AMHS is also in the process of its own engine replacement design project. It is assumed that should the legal process by which the state will attempt to ensure the continued operation of the fast ferry engines become prolonged; the AMHS may need to replace the fast ferry engines on our own to prevent service disruptions and a prolonged non-operational period.

Significant Changes in Results to be Delivered in FY2013

The AMHS operating plan must work within its budget and be developed based on anticipated system revenues, general fund operating revenue, and the AMHS fund balance. AMHS will continue to provide year round safe, reliable, and efficient transportation of people, goods, and vehicles on the Alaska Marine Highway.

Minor changes and adjustments to the past 3 year stable schedule are planned for summer of 2012 in order to increase ridership and improve service to communities. These were vetted during a public comment period and are generally being well received by the affected communities.

Major Component Accomplishments in 2011

- Provided 412 total operating weeks of service in Southeast and Southwest Alaska including the new Bellingham to Whittier express cross-Gulf of Alaska service connecting the lower 48 states to the Alaska interior.
- Successfully continued to keep crews certified to operate the fast ferries under the challenging International High Speed Code.

- Successfully continued to cross train deck officers on the FVF Fairweather and FVF Chenega routes, so as to give the AMHS greater flexibility with vessel operational crewing and reducing overtime onboard the fast ferries.
- Successfully trained fast ferry crews to operate to the ports of Angoon and Hoonah, along with receiving route manual and operational approval from the USCG for operations to Angoon and Hoonah.
- Operated all vessels with minimal loss of service due to breakdowns.
- Met International Safety Management (ISM), Safety Management System (SMS) federal Maritime Transportation Security Act (MTSA) security guidelines, along with federal and state environmental regulations. Continued increasing system-wide ridership and vehicle transport following multiple years of declining numbers.
- Continued the process of developing a new reservation system and point of sale system.
- Completed the process of re-writing the AMHS Traffic Manual, which is a manual containing the detailed business rules of the System. The new manual has been renamed the Customer Service Manual. Developed a method of controlling changes and updates to the new customer service manual to maintain its integrity.
- Continued forward with the implementation of installing satellite communication systems hardware aboard AMHS vessels and completed the process of purchasing the necessary broadband and service provider to operate the system.
- Completed a new version of the AMHS website, which complies with the new state of Alaska website regulations.
- Brought on line a new real-time vessel tracking and information system, which has been integrated into the AMHS website.
- Continued to increase both passenger and vehicle ridership. This has been accomplished via a very well-run marketing strategy, targeted marketing, specials, and discounts.
- Continued to secure Federal Homeland Security grants which have allowed AMHS to enhance security on the vessels and in the terminals. We have also secured a federal grant to acquire a bomb detection dog and handler, and are working with the Transportation Security Administration (TSA) to develop a Memorandum of Agreement to allow TSA to use their bomb detection dogs and handlers at our ferry terminals.
- Completed the design process for the planned improvements to the newly purchased veneer building in Ward Cove. An RFP for the building construction work will be issued during fall of 2011.

Statutory and Regulatory Authority

AS 19 Highways & Ferries
AS 44 State Government

Contact Information
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**Marine Vessel Operations
Component Financial Summary**

All dollars shown in thousands

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	84,245.4	89,530.8	92,301.5
72000 Travel	1,852.0	1,886.9	1,656.9
73000 Services	11,226.9	12,734.2	12,566.3
74000 Commodities	7,624.6	8,137.4	8,090.2
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	104,948.9	112,289.3	114,614.9
Funding Sources:			
1004 General Fund Receipts	77,803.7	76,480.1	77,787.9
1061 Capital Improvement Project Receipts	540.3	0.0	0.0
1076 Marine Highway System Fund	26,604.9	35,809.2	36,827.0
Funding Totals	104,948.9	112,289.3	114,614.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	49,628.5	52,162.0	54,861.4
Unrestricted Total		49,628.5	52,162.0	54,861.4
Restricted Revenues				
Capital Improvement Project Receipts	51200	540.3	0.0	0.0
Restricted Total		540.3	0.0	0.0
Total Estimated Revenues		50,168.8	52,162.0	54,861.4

**Summary of Component Budget Changes
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	76,480.1	35,809.2	0.0	0.0	112,289.3
Adjustments which will continue current level of service:					
-Reverse August FY2012 Fuel/Utility Cost Increase Funding Distribution from the Office of the Governor	-600.0	0.0	0.0	0.0	-600.0
-FY2013 Salary and Health Insurance Increase: Master, Mates and Pilots	107.8	0.0	0.0	0.0	107.8
-FY2013 Salary and Health Insurance Increase: Marine Engineer's Beneficial Association	324.7	0.0	0.0	0.0	324.7
-FY2013 Salary and Health Insurance Increase: Inlandboatmen's Union of the Pacific Alaska Region	1,475.3	0.0	0.0	0.0	1,475.3
Proposed budget increases:					
-Continuance of Existing Alaska Marine Highway System Service Levels	0.0	1,017.8	0.0	0.0	1,017.8
FY2013 Governor	77,787.9	36,827.0	0.0	0.0	114,614.9

Marine Vessel Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2012 Management Plan	FY2013 Governor		
Full-time	724	724	Annual Salaries	0
Part-time	48	48	Premium Pay	0
Nonpermanent	80	80	Annual Benefits	0
			<i>Less % Vacancy Factor</i>	()
			Lump Sum Premium Pay	0
Totals	852	852	Total Personal Services	

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
No personal services.					
Totals	0	0	0	0	0

Component Detail All Funds
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	84,245.4	89,530.8	89,530.8	89,530.8	92,301.5	2,770.7	3.1%
72000 Travel	1,852.0	1,886.9	1,886.9	1,886.9	1,656.9	-230.0	-12.2%
73000 Services	11,226.9	12,484.2	12,734.2	12,734.2	12,566.3	-167.9	-1.3%
74000 Commodities	7,624.6	7,787.4	8,137.4	8,137.4	8,090.2	-47.2	-0.6%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	104,948.9	111,689.3	112,289.3	112,289.3	114,614.9	2,325.6	2.1%
Fund Sources:							
1004 Gen Fund (UGF)	77,803.7	75,880.1	76,480.1	76,480.1	77,787.9	1,307.8	1.7%
1061 CIP Rcpts (Other)	540.3	0.0	0.0	0.0	0.0	0.0	0.0%
1076 Marine Hwy (DGF)	26,604.9	35,809.2	35,809.2	35,809.2	36,827.0	1,017.8	2.8%
Unrestricted General (UGF)	77,803.7	75,880.1	76,480.1	76,480.1	77,787.9	1,307.8	1.7%
Designated General (DGF)	26,604.9	35,809.2	35,809.2	35,809.2	36,827.0	1,017.8	2.8%
Other Funds	540.3	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	724	724	724	724	724	0	0.0%
Permanent Part Time	48	48	48	48	48	0	0.0%
Non Permanent	80	80	80	80	80	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2012 Conference Committee To FY2012 Authorized *****												
FY2012 Conference Committee												
	ConfCom	111,689.3	89,530.8	1,886.9	12,484.2	7,787.4	0.0	0.0	0.0	724	48	80
1004 Gen Fund		75,880.1										
1076 Marine Hwy		35,809.2										
August FY2012 Fuel/Utility Cost Increase Funding Distribution from the Office of the Governor												
	Atrin	600.0	0.0	0.0	250.0	350.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		600.0										
Pursuant to Sec 21 Ch 3 FSSLA 2011 pg 76 In 19 through pg 78 In 27, \$18.0 million is distributed in August to State agencies from the Office of the Governor to offset the increased costs for fuel and utilities. Per the Department of Revenue (DOR), the fiscal year-to-date average price of Alaska North Slope crude as of August 1, 2011, was \$114.08 per barrel, which is \$19.38 (20.5%) above DOR's Spring 2011 FY2012 forecast amount of \$94.70.												
The amounts transferred to state agencies are as follows: Administration, \$27.3; Corrections, \$720.0; DEED, \$68.6; DEC, \$90.3; Fish and Game, \$93.2; HSS, \$720.0; Labor, \$42.4; DMVA, \$392.8; DNR, \$81.7; DPS, \$328.6; Transportation, \$13,455.1; University, \$1,980.0.												
The \$13,455.1 transferred to DOT&PF was further allocated as follows: Central Region Facilities, \$460.0; Northern Region Facilities, \$1,107.7; Southeast Region Facilities, \$110.0; Central Region Highways & Aviation, \$565.0; Northern Region Highways & Aviation, \$1,500.0; Southeast Region Highways & Aviation, \$200.0; Marine Vessel Operations, \$600.0; Marine Shore Operations, \$170.0; Marine Vessel Fuel, \$8,742.4.												
Subtotal		112,289.3	89,530.8	1,886.9	12,734.2	8,137.4	0.0	0.0	0.0	724	48	80
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
Subtotal		112,289.3	89,530.8	1,886.9	12,734.2	8,137.4	0.0	0.0	0.0	724	48	80
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
Reverse August FY2012 Fuel/Utility Cost Increase Funding Distribution from the Office of the Governor												
	OTI	-600.0	0.0	0.0	-250.0	-350.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-600.0										
Pursuant to Sec 21 Ch 3 FSSLA 2011 pg 76 In 19 through pg 78 In 27, \$18.0 million is distributed in August to State agencies from the Office of the Governor to offset the increased costs for fuel and utilities. Per the Department of Revenue (DOR), the fiscal year-to-date average price of Alaska North Slope crude as of August 1, 2011, was \$114.08 per barrel, which is \$19.38 (20.5%) above DOR's Spring 2011 FY2012 forecast amount of \$94.70.												
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Change Record Detail - Multiple Scenarios With Descriptions
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	

The \$13,455.1 transferred to DOT&PF was further allocated as follows: Central Region Facilities, \$460.0; Northern Region Facilities, \$1,107.7; Southeast Region Facilities, \$110.0; Central Region Highways & Aviation, \$565.0; Northern Region Highways & Aviation, \$1,500.0; Southeast Region Highways & Aviation, \$200.0; Marine Vessel Operations, \$600.0; Marine Shore Operations, \$170.0; Marine Vessel Fuel, \$8,742.4.

Continuance of Existing Alaska Marine Highway System Service Levels

	IncM	1,017.8	862.9	-230.0	82.1	302.8	0.0	0.0	0.0	0	0	0
1076 Marine Hwy		1,017.8										

The intent of the FY2013 Governor's request is to mirror service levels of the 2012 authorized budget to the best of the system's ability. In following this principle Alaska Marine Highway System (AMHS) has prepared a 2013 schedule totaling 412.4 weeks in comparison to the 410.9 weeks comprising the 2012 authorized budget. Although this increase in service is minimal the makeup of the increase includes added service levels of the Columbia and the Kennicott. These vessels are the 2 highest cost vessels as their capacities are significantly higher than the 2 vessels they are replacing, the Tustumena and the Malaspina. Vessels enter multi-month capital projects every 4-5 years, depending upon need, and vessels in the fleet vary in cost of operation significantly. In this particular year the greatest service increase is in the Columbia's operation which is the highest cost operator and the greatest decrease is to the Tustumena which is the lowest cost operator of the mainline fleet.

Vessel Replacement Fund Interest Earned

	Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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Appropriate annual interest earned by the Vessel Replacement Fund back to the fund proper. Calculation performed by Department of Revenue and reported to Legislature.

Alaska Marine Highway Fund Interest Earned

	Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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Appropriate annual interest earned by the Alaska Marine Highway Fund back to the fund proper. Calculation performed by Department of Revenue and reported to Legislature.

FY2013 Salary and Health Insurance Increase: Master, Mates and Pilots

	SalAdj	107.8	107.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		107.8										

Salary Increase: 4.1
 Health Insurance Increase: 103.7

FY2013 Salary and Health Insurance Increase: Marine Engineer's Beneficial Association

	SalAdj	324.7	324.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		324.7										

Salary Increase: 226.8
 Health Insurance Increase: 97.9

FY2013 Salary and Health Insurance Increase: Inlandboatmen's Union of the Pacific Alaska Region

Change Record Detail - Multiple Scenarios With Descriptions
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
1004 Gen Fund	SalAdj	1,475.3	1,475.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Salary Increase: 958.8		1,475.3										
Health Insurance Increase: 516.5												
Totals		114,614.9	92,301.5	1,656.9	12,566.3	8,090.2	0.0	0.0	0.0	724	48	80

Line Item Detail
Department of Transportation/Public Facilities
Travel

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000	Travel		1,852.0	1,886.9	1,656.9
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000 Travel Detail Totals			1,852.0	1,886.9	1,656.9
72100	Instate Travel	Under the Certificates of Inspection issued annually by the US Coast Guard, each of the System's ships must have a specified crew aboard during normal operations or the vessel cannot sail. Vessels are crewed at all times, in either operating or reduced operating status. Transportation is provided for crew members to and from assignments when such assignments are away from normal home ports. Travel for crew members is difficult to accurately forecast as it is often dictated by unpredictable circumstances, such as schedule changes, emergency re-routing of vessels, illness, etc.	1,379.7	1,410.0	1,196.9
72400	Out Of State Travel	Under the Certificates of Inspection issued annually by the US Coast Guard, each of the System's ships must have a specified crew aboard during normal operations or the vessel cannot sail. Vessels are crewed at all times, in either operating or reduced operating status. Transportation in and out of the state can occur when temporarily filling a licensed position from union halls located across the country.	466.8	466.9	450.0
72700	Moving Costs	Moving and relocation costs for employees; includes the pre-move meals and lodging, temporary meals and lodging and the actual move costs paid to both vendors and employees.	5.5	10.0	10.0

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000	Services		11,226.9	12,734.2	12,566.3
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals			11,226.9	12,734.2	12,566.3
73025	Education Services	Crew training for passenger evacuation, life boats and onboard procedures.	164.7	200.0	200.0
73050	Financial Services	Insurance for licensed deck and engine room officers. Judgments paid on claims. Fees paid for use of credit card machines. Credit card machine rentals.	877.5	950.0	960.0
73150	Information Technlgy	Represents a broad range of data processing, telecommunications and communications services.	324.5	350.0	355.0
73156	Telecommunication	Local phone service, long distance charges, cellular phone, satellite and internet services.	469.4	1,421.6	1,466.4
73169	Federal Indirect Rate Allocation	Statewide Admin Services Indirect cost allocation incorrectly charged to capital project that did not allow such charges. Costs had to be moved from project to operating.	0.2	0.0	0.0
73175	Health Services	Required drug testing for all crew and hearing tests for engine room crew.	141.7	160.0	165.0
73225	Delivery Services	Freight for vessel parts and supplies.	41.6	55.0	55.0
73421	Sef Fuel A87 Allowed	State Equipment Fleet Fuel for State Equipment Fleet.	27.7	16.1	16.0
73450	Advertising & Promos	Publications of Steward hiring and Job Fair announcements.	2.5	5.0	3.0
73526	Electricity	Electricity while in port and during layup.	557.6	323.4	324.0
73526	Electricity	Pursuant to Sec 21 Ch 3 FSSLA 2011 Pg 76 Ln 19 thru Pg 78 Ln 27, funding was distributed from the Office of the Governor to offset the increased costs for fuel and utilities in FY12 - \$250.0 for electricity. This authorization does not carry forward into the FY13 budget.	0.0	250.0	0.0
73527	Water & Sewage	Water and sewer costs for vessels.	129.7	130.0	130.0

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals			11,226.9	12,734.2	12,566.3
73528		Disposal Waste disposal.	273.3	275.0	275.0
73529		Natural Gas/Propane Natural gas for equipment.	0.1	0.1	0.1
73530		Heating Oil Heating oil for the vessels.	44.7	25.9	26.0
73650		Struc/Infstruct/Land Lab testing of fuel, oil and water, US Coast Guard inspections, custom fees in Prince Rupert, services by technical representatives on various components and underwater divers.	420.0	520.0	520.0
73675		Equipment/Machinery Equipment and machinery repair services and rentals for the vessels.	81.0	100.0	100.0
73676		Repairs/Maint. (Non IA-Eq/Machinery) Vessel elevator maintenance contracts, radar and radio repairs, window and door maintenance, repairs/adjustments on compass and gyro equipment, main engine, auxiliary engine, generator repairs, upholstery repairs, carpet cleaning/repairs, pursers and galley equipment repairs and miscellaneous repairs.	1,199.4	1,300.0	1,350.0
73689		Marine (Non-IA-Machinery-Rentals/Leases) Equipment rentals including contracted marine vessels to cover routes while AMHS vessels are out of service.	394.4	410.0	415.0
73750		Other Services (Non IA Svcs) Printing of deck and engine log books, menu layout, pursers and stewards forms. Laundry services in Southwest. Commission agent fees.	272.3	350.0	350.0
73803	Conservation/Envirn (IA Svcs)	Food Safety & Sanitation Permit costs to serve food aboard the vessels.	0.0	5.0	5.0
73805	IT-Non-Telecommunication	Enterprise Technology Services Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	92.4	95.0	95.0
73806	IT-Telecommunication	Enterprise Technology Services Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	112.9	121.3	130.0

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals			11,226.9	12,734.2	12,566.3
73809	Mail	Central Mail	29.4	35.0	35.0
		Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants (AKPAY).			
73810	Human Resources	Personnel	24.1	25.0	24.0
		Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.			
73812	Legal	Transportation Section	175.9	201.0	201.0
		Legal services provided by the Department of Law.			
73814	Insurance	Risk Management	4,701.1	4,700.0	4,640.0
		Risk Management premiums.			
73815	Financial	Finance	39.4	40.0	37.0
		Chargeback fees for AKSAS and AKPAY.			
73816	ADA Compliance	Americans With Disabilities	8.2	35.0	35.0
		Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA). FY12 Governor includes the one time cost of \$25.0 for the implementation of new USDOT ADA regulations for vessels.			
73818	Training (Services-IA Svcs)	AVTEC	12.1	12.1	12.1
		Basic safety training for new hires.			
73818	Training (Services-IA Svcs)	Univ	79.8	80.0	80.0
		Basic safety training includes: Basic Fire fighting, First Aid & CPR, Personal Safety & Social Responsibilities, Personal Survival Training and Proficiency in Survival Craft Training (lifeboat training).			
73819	Commission Sales (IA Svcs)	Economic Development	11.9	16.0	16.0
		Tok ferry reservation commissions.			
73819	Commission Sales (IA Svcs)	State Travel Office	1.8	2.0	2.0
		Processing fees charged by the State Travel Office.			
73825	Marine (IA Svcs)	Correct	350.0	350.0	366.0
		Laundry services.			
73848	State Equip Fleet	Trans - State Equipment Fleet	138.8	139.0	142.0
		SEF vehicles.			
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office	26.8	35.7	35.7
		Marine Transportation Advisory Board (MTAB) expenditures.			

Line Item Detail
Department of Transportation/Public Facilities
Commodities

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000	Commodities		7,624.6	8,137.4	8,090.2
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000 Commodities Detail Totals			7,624.6	8,137.4	8,090.2
74200	Business	General office supplies, charts, navigational publications, technical manuals and Gift Shop items for resale.	684.4	700.0	725.0
74440	Agricultural	Pest control.	1.5	0.0	0.0
74480	Household & Instit.	Food for passengers and crew, liquor, linens, pillows, mattresses, tablecloths, blankets, replacement silverware, glasses, dishes and cookware.	3,440.1	3,650.0	3,810.2
74520	Scientific & Medical	Medical supplies (e.g. Disposable gloves, first aid kits and replacement supplies, emergency eye wash stations and replacement supplies).	19.0	20.0	25.0
74600	Safety (Commodities)	Fire fighting and rescue supplies.	273.3	280.0	295.0
74650	Repair/Maintenance (Commodities)	Cordage, paint, solvents, engine maintenance parts, electrical parts, parts for pumps, steering and propulsion control equipment, repair and replacement parts for galley and equipment, furnishings and staterooms/lavatories, small tools and minor equipment.	2,384.2	2,729.6	2,825.0
74752	Lube Oils/Grease/Solv	Lube oils, grease and solvents needed in the maintenance of the equipment aboard the vessels.	698.1	404.9	405.0
74752	Lube Oils/Grease/Solv	Pursuant to Sec 21 Ch 3 FSSLA 2011 Pg 76 Ln 19 thru Pg 78 Ln 27, funding was distributed from the Office of the Governor to offset the increased costs for fuel and utilities in FY12 - \$350.0 for lube oil. This authorization does not carry forward into the FY13 budget.	0.0	350.0	0.0
74853	Marine (Commodities- Repair&Maint-Equip)	Fuel used to deliver vessels to federal overhaul project locations and back to homeport, through an unbudgeted RSA.	119.1	0.0	0.0
74855	Unleaded	Unleaded fuel for equipment.	2.4	1.4	2.5
74856	Diesel	Diesel fuel for equipment.	0.5	0.3	0.5

Line Item Detail
Department of Transportation/Public Facilities
Commodities

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000 Commodities Detail Totals			7,624.6	8,137.4	8,090.2
74858	Other Equipment Fuel	Fuel for generator, snow removal machines, etc.	2.0	1.2	2.0

Unrestricted Revenue Detail
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

Master Account	Revenue Description				FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
68515	Unrestricted Fund				49,628.5	52,162.0	54,861.4
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
68515	Unrestrict Fu Source				49,628.5	52,162.0	54,861.4
	Anticipated revenue from the sale of tickets for transportation of passengers and vehicles, stateroom rentals, food and bar service, gift shop and vending machines.						

Restricted Revenue Detail
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

Master Account	Revenue Description				FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51200	Capital Improvement Project Receipts				540.3	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
59240	CIP Rcpts from Transp & Public Fac				540.3	0.0	0.0
	CIP receipts for work in direct support of capital projects, through an Unbudgeted RSA.						

Inter-Agency Services
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2011 Actuals	FY2012		
					Management Plan	FY2013 Governor	
73169	Federal Indirect Rate Allocation	Indirect cost allocation incorrectly charged to capital project that did not allow such charges. Costs had to be moved from project to operating.	Intra-dept	Statewide Admin Services	0.2	0.0	0.0
73169 Federal Indirect Rate Allocation subtotal:					0.2	0.0	0.0
73421	Sef Fuel A87 Allowed	Fuel for State Equipment Fleet.	Intra-dept	State Equipment Fleet	27.7	16.1	16.0
73421 Sef Fuel A87 Allowed subtotal:					27.7	16.1	16.0
73803	Conservation/Envirn (IA Svcs)	Permit costs to serve food aboard the vessels.	Inter-dept	Food Safety & Sanitation	0.0	5.0	5.0
73803 Conservation/Envirn (IA Svcs) subtotal:					0.0	5.0	5.0
73805	IT-Non-Telecommunication	Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	Inter-dept	Enterprise Technology Services	92.4	95.0	95.0
73805 IT-Non-Telecommunication subtotal:					92.4	95.0	95.0
73806	IT-Telecommunication	Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	Inter-dept	Enterprise Technology Services	112.9	121.3	130.0
73806 IT-Telecommunication subtotal:					112.9	121.3	130.0
73809	Mail	Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants (AKPAY).	Inter-dept	Central Mail	29.4	35.0	35.0
73809 Mail subtotal:					29.4	35.0	35.0
73810	Human Resources	Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	Inter-dept	Personnel	24.1	25.0	24.0
73810 Human Resources subtotal:					24.1	25.0	24.0
73812	Legal	Legal services provided by the Department of Law.	Inter-dept	Transportation Section	175.9	201.0	201.0
73812 Legal subtotal:					175.9	201.0	201.0
73814	Insurance	Risk Management premiums.	Inter-dept	Risk Management	4,701.1	4,700.0	4,640.0
73814 Insurance subtotal:					4,701.1	4,700.0	4,640.0
73815	Financial	Chargeback fees for AKSAS and AKPAY.	Inter-dept	Finance	39.4	40.0	37.0
73815 Financial subtotal:					39.4	40.0	37.0
73816	ADA Compliance	Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA). FY12 Governor includes the one time cost of \$25.0 for the implementation of new USDOT ADA regulations for	Inter-dept	Americans With Disabilities	8.2	35.0	35.0

Inter-Agency Services
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2011 Actuals	FY2012	
					Management Plan	FY2013 Governor
	vessels.					
			73816 ADA Compliance subtotal:	8.2	35.0	35.0
73818	Training (Services-IA Svcs)	Basic safety training for new hires.	Inter-dept AVTEC	12.1	12.1	12.1
73818	Training (Services-IA Svcs)	Basic safety training includes: Basic Fire fighting, First Aid & CPR, Personal Safety & Social Responsibilities, Personal Survival Training and Proficiency in Survival Craft Training (lifeboat training).	Inter-dept Univ	79.8	80.0	80.0
			73818 Training (Services-IA Svcs) subtotal:	91.9	92.1	92.1
73819	Commission Sales (IA Svcs)	Tok ferry reservation commissions.	Inter-dept Economic Development	11.9	16.0	16.0
73819	Commission Sales (IA Svcs)	Processing fees charged by the State Travel Office.	Inter-dept State Travel Office	1.8	2.0	2.0
			73819 Commission Sales (IA Svcs) subtotal:	13.7	18.0	18.0
73825	Marine (IA Svcs)	Laundry services.	Inter-dept Correct	350.0	350.0	366.0
			73825 Marine (IA Svcs) subtotal:	350.0	350.0	366.0
73848	State Equip Fleet	SEF vehicles.	Intra-dept Trans - State Equipment Fleet	138.8	139.0	142.0
			73848 State Equip Fleet subtotal:	138.8	139.0	142.0
73979	Mgmt/Consulting (IA Svcs)	Marine Transportation Advisory Board (MTAB) expenditures.	Intra-dept Commissioner's Office	26.8	35.7	35.7
			73979 Mgmt/Consulting (IA Svcs) subtotal:	26.8	35.7	35.7
			Marine Vessel Operations total:	5,832.5	5,908.2	5,871.8
			Grand Total:	5,832.5	5,908.2	5,871.8