

**State of Alaska  
FY2017 Governor's Operating Budget**

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

<b>Component: Marine Vessel Fuel</b>
--------------------------------------

**Contribution to Department's Mission**

Provide the necessary vessel fuel to enable safe, reliable, and efficient transportation of people and vehicles between Alaskan communities, Canada and the lower 48.

**Core Services**

- Funds the 9.3 million gallons of ultra-low-sulphur diesel fuel needed to sail the Alaska Marine Highway System operating schedule.
- Utilizing the fuel efficiency technology installed on eight of the 11 vessels to minimize fuel consumption.

**Major Component Accomplishments in 2015**

- Funded 378 ship operating weeks of AMHS service to Alaskans and visitors.
- All vessels equipped with the Fuel Management System are continuing to achieve reductions in their daily fuel burn rates.

**Key Component Challenges**

The variable price of ultra-low-sulphur diesel at the various AMHS refueling ports challenges the fixed \$2.56 per gallon base budget funding amount. Alternative funding to make up shortfalls, such as the fuel allocation distribution, are no longer available due to the low price per barrel of crude oil.

**Significant Changes in Results to be Delivered in FY2017**

Continue to provide the necessary fuel quantity to sail the approved AMHS schedule using base budget funding and any other available funding source. Fine tuning of the Fuel Management Systems will be continued on each vessel to ensure optimal fuel burn rates to minimize diesel fuel consumption while still meeting scheduled service levels.

**Statutory and Regulatory Authority**

AS 19 Highways & Ferries  
AS 44 State Government

<b>Contact Information</b>
<b>Contact:</b> Michael Neussl, Deputy Commissioner <b>Phone:</b> (907) 465-6977 <b>Fax:</b> (907) 465-3124 <b>E-mail:</b> michael.neussl@alaska.gov

**Component Detail All Funds**  
**Department of Transportation/Public Facilities**

**Component:** Marine Vessel Fuel (2979)  
**RDU:** Marine Highway System (334)

Non-Formula Component

	<b>FY2015 Actuals</b>	<b>FY2016 Conference Committee</b>	<b>FY2016 Authorized</b>	<b>FY2016 Management Plan</b>	<b>FY2017 Governor</b>	<b>FY2016 Management Plan vs FY2017 Governor</b>	
71000 Personal Services	0.0	600.0	600.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
74000 Commodities	26,401.0	23,248.1	23,248.1	27,513.6	22,556.5	-4,957.1	-18.0%
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%
<b>Totals</b>	<b>26,401.0</b>	<b>23,848.1</b>	<b>23,848.1</b>	<b>27,513.6</b>	<b>22,556.5</b>	<b>-4,957.1</b>	<b>-18.0%</b>
<b>Fund Sources:</b>							
1004Gen Fund (UGF)	26,401.0	14,047.0	14,047.0	17,712.5	17,712.5	0.0	0.0%
1076Marine Hwy (DGF)	0.0	9,801.1	9,801.1	9,801.1	4,844.0	-4,957.1	-50.6%
<b>Unrestricted General (UGF)</b>	<b>26,401.0</b>	<b>14,047.0</b>	<b>14,047.0</b>	<b>17,712.5</b>	<b>17,712.5</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>9,801.1</b>	<b>9,801.1</b>	<b>9,801.1</b>	<b>4,844.0</b>	<b>-4,957.1</b>	<b>-50.6%</b>
<b>Other Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

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

**Component:** Marine Vessel Fuel (2979)  
**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 FY2016 Conference Committee To FY2016 Authorized *****												
<b>FY2016 Conference Committee</b>												
ConfCom		23,848.1	600.0	0.0	0.0	23,248.1	0.0	0.0	0.0	0	0	0
1004 Gen Fund		14,047.0										
1076 Marine Hwy		9,801.1										
<b>Subtotal</b>		<b>23,848.1</b>	<b>600.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23,248.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2016 Authorized To FY2016 Management Plan *****												
<b>Align Authority with Alaska Marine Highway System Operation Plan</b>												
LIT		0.0	-600.0	0.0	0.0	600.0	0.0	0.0	0.0	0	0	0
Align authority with Alaska Marine Highway System operation plan.												
<b>Align Authority with Alaska Marine Highway System Operation Plan</b>												
Trin		2,165.5	0.0	0.0	0.0	2,165.5	0.0	0.0	0.0	0	0	0
1004 Gen Fund		2,165.5										
Align authority with Alaska Marine Highway System operation plan.												
<b>Align Authority with Alaska Marine Highway System Operation Plan</b>												
Trin		1,500.0	0.0	0.0	0.0	1,500.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1,500.0										
Align authority with Alaska Marine Highway System operation plan.												
<b>Subtotal</b>		<b>27,513.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>27,513.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
<b>Reverse One-time Marine Highway System Funds (Capitalization Account)</b>												
OTI		-600.0	0.0	0.0	0.0	-600.0	0.0	0.0	0.0	0	0	0
1076 Marine Hwy		-600.0										
Reverse one-time marine highway system funds (Capitalization Account).												
<b>Reverse One-time Marine Highway System Funds (Capitalization Account)</b>												
OTI		-2,000.0	0.0	0.0	0.0	-2,000.0	0.0	0.0	0.0	0	0	0
1076 Marine Hwy		-2,000.0										
Reverse one-time marine highway system funds (Capitalization Account).												

**Service Level Reduction**

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

**Component:** Marine Vessel Fuel (2979)  
**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	
1076 Marine Hwy	Dec	-2,357.1	0.0	0.0	0.0	-2,357.1	0.0	0.0	0.0	0	0	0
		-2,357.1										
	<b>Totals</b>	<b>22,556.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>22,556.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The bulk of this savings will be achieved by a reduction in annual vessel operating weeks from 354 to 309 weeks of service. The Taku, Fairweather, and Chenega are not scheduled to operate in FY2017. This will leave multiple week gaps in service due to "single boat coverage". Prince William Sound will experience a six week gap when the Aurora has her scheduled overhaul, the Northern Panhandle has a five week gap during the LeConte's overhaul, and the Southwest route will experience a seven week gap during the Tustumena overhaul. Additionally, ports throughout the system will see fewer port calls in FY2017 compared to FY2016.

**Line Item Detail**  
**Department of Transportation/Public Facilities**  
**Commodities**

**Component:** Marine Vessel Fuel (2979)  
**RDU:** Marine Highway System (334)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		26,401.0	27,513.6	22,556.5
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
<b>74000 Commodities Detail Totals</b>			<b>26,401.0</b>	<b>27,513.6</b>	<b>22,556.5</b>
74850	Equipment Fuel	FY2017 Alaska Marine Highway System estimated vessel fuel usage based on 8,811.1 gallons at an estimated average fuel delivery price of \$2.56 per gallon = \$22,556.5.	26,401.0	27,513.6	22,556.5