

Summary of Recommendations
Marine Transportation Advisory Board
Period: May, 2003- May 2004

1. The board approved a motion to forward a recommendation that AMHS staff initiate a study of fare structure, to include the possibility of concepts like though passenger and vehicle fares, with free stopovers.

Status:

2. The board also passed a motion to recommend the consideration of percentage discounts on various fares, which was expanded to include a review of all revenue options, and the generation of a staff position on the concepts, to be returned to the board for further consideration. This would include discounted round trip fares, web specials, mileage based fares, and partnerships with other carriers, including air, and package sales. Included in committee discussion on this item was a recommendation to continue providing senior discounts and driver rides free in the off season

Status:

Marketing

3. Integration of Marketing/Sales/Reservations

Develop a plan to integrate these functions, as recommended in the McDowell Marketing and Pricing Study. This will provide more effective and efficient utilization of personnel and resources.

Status:

4. Marketing Plan

Prepare an AMHS marketing plan, as indicated in the McDowell report. The integrated program would develop marketing, sales and reservations, pricing policy and product development in a coordinated manner. The plan should address vessel resource allocation and implementation or phased development options. This implies close coordination with strategic planning, and vessel deployment plans into the future. It is important that marketing be consistent with the long range plan.

Status:

5. 24/7 Reservations

AMHS should introduce and advertise 24/7 toll-free reservations service, with implementation as soon as is practical, hopefully for implementation next spring. Members would like staff feedback on the cost/benefit of this recommendation. It was noted that 10% of sales is now done through the web, and that this capability should be encouraged and enhanced. It was also suggested that partnering or outsourcing be considered for the best mix of cost/benefit.

Status:

6. Timetable Printing Schedule

The board recommends staff target the fall winter spring timetable be ready for distribution and selling on July 1 of the summer preceding, and that the Summer schedule for the following summer be ready for distribution and selling on September 1. It is recognized that funding uncertainties can affect this schedule, but this should be the target, to get a better opportunity to sell more. It is further recommended that the department consider hiring an assistant scheduler to assist in carrying out this plan, to maximize system revenue.

Status:

7. Commissions Policy

The Board agrees that the lack of a consistent commission policy for travel agents and tour operators/wholesalers is detrimental to AMHS marketing efforts. It is recommended that the a Wholesale Commission and Group Policy be adopted, modeled after the Alaska Railroad policy, with modifications to fit AMHS needs. Members were advised that a pilot program offer 20% commission to wholesalers would be in effect next summer.

Status:

8. Brochure Fulfillment

The board recommends that the AMHS service requests for Alaska ferry information generated by the state tourism marketing program with a separate fulfillment piece designed for the purpose, not the timetable.

The number of fulfillment pieces printed needs to be sufficient to respond to requests and service current distribution channels. We understand from staff that an RFP for a fulfillment house to handle these inquiries is in the works, and the marketing director will supply the MTAB with an update when available.

Status:

9. Top to bottom review of Service Provision Criteria

The Board recommends that the scheduling process and service provision criteria be thoroughly reviewed with the scheduling committee, including the incorporation of a revised and refined decision matrix, similar to what was discussed at the meeting. It is further recommended that the Department seek funding for a consultant to assist in the development of a decision making matrix.

Status:

10. Continued efforts for alternative vessel until *M.V Lituya* is online

The board recommends that staff continue to explore ways and means to supply adequate service to Metlakatla without impacting service to northern communities, until the new vessel dedicated to that route is put in service.

Status:

11. Electronic suggestion box-feedback system

The Board recommends that AMHS staff consider developing a formal employee feedback system, utilizing electronic bulletin board or similar, with scheduled official feed back from the Juneau office. The specifics of the suggestion were outlined and discussed at the meeting.

Status:

12. Adopt MTAB alternative 3, with one modification

The board recommends deployment 2 days a week to Sitka, 5 days a week to Haines-Skagway, using the staff plan of direct trips one to Haines, one to Skagway, except for days when there is no Haines-Skagway service with other AMHS vessels. On those days, the FVF would be routed to Haines, then Skagway, then Haines and back to Juneau, once during that day. This provides three distinctly different types of deployment during the summer season and the board recommends a thorough review for the next season's deployment, with data to be developed over season, reported as soon as possible to plan

for the following season. The analysis should break out revenue and expense for each of the three types of deployment.

Status:

13. Southeast Alaska Transportation Plan update

The board recommends that you direct staff to task the SATP contractor to keep the MTAB informed on their progress and process, and requests an update specifically on the 2010 plan.

Status:

14. 2010 Plan

The board recommends that you direct staff to generate new information regarding costs/mile of various craft, especially the FVF. Specifically to build a 2010 scenario that assumes that fleet is in existence today, operating routes projected then, and show results with today's fares and costs.

The alternative is to spend more time to develop future costs, which would list all assumptions for 2010, like fuel costs, labor cost escalator, insurance trends, etc. In this type of analysis the board would like to see lots of footnotes detailing changes in revenue and cost assumptions. The board discussed the potential benefit of hiring a contractor assist in generating a scenario that we can all use to promote the plan, once it is agreed to and it demonstrates its consistency with our general charge to seek ways to improve service while lessening subsidy requirements.

Status:

15. DOT/PF reorganization

The board recommended that an FVF specific evaluation criteria be developed, factoring the experimental nature of routing and utilization utilizing data developed for the 2010 plan. The board feels it would be most beneficial to all involved to have some FVF specific evaluations completed as the Summer '04 season winds down, so that there is sufficient information to base a decision on whether to commit to a fleet buildout of this vessel type. The analysis should contain specific revenue and cost data on all three of the individual route types, i.e. Juneau-Sitka, Juneau-Haines-Juneau/Juneau-Skagway-Juneau and Juneau-Haines-Skagway-Haines-Juneau.

Status:

16. Two Bellingham Ferries timing

The board recommends researching the potential to adjust lay up and CIP schedules to accommodate two Bellingham ferries from May 1 – Sep 30, and also to continue exploration of potential to operate Columbia year round, with increased marketing efforts. In general, the board agreed it might make more sense to re schedule overhauls, and USCG inspections for mid winter instead of late spring to improve the flexibility of startup of seasonal operations.

Status:

17. DOT Reorganization

The board endorsed reorganization of headquarters. The board felt this should be a priority project.

Status:

18. SATP Update.

The board adopted a specific recommendation that the Contractor meet with DOT and AMHS staff to clarify and verify numerous assumptions and data points that were referred to in the draft. The board also adopted a specific recommendation that the contractor remove reference in the document on page 8 through 20 comparing vehicle road miles vs. AMHS miles. We believe it is an innaccurate and potentially misleading statistic, and serves no useful purpose in the plan.

Status:

19. FVF Evaluation.

Board agrees that it is appropriate and important to properly evaluate the ship to verify in operation, that it meets the needs and mission identified in the planning process. The Operations committee presented its list of suggested elements in the evaluation process, and the board recommended that AMHS staff be tasked with merging those items into existing performance measures established for the ship. This is in addition to the technical performance guarantees provided in the shipbuilding contract.

Status:

20. Focus the existing web site personnel on designing and installing the new Intranet. Place the portions of the website that involve public interface under the marketing department. Contract with an experienced web-marketing firm for design and maintenance of the public web pages. This includes the look and functionality of the pages, site navigation and linking, and the way information is accessed by and presented to the public. Site security should be overseen internally or under separate contract.

Status:

21. Use the new marketing position in part for additional communications and planning with other departments. The annual marketing plan can be a useful tool to help other departments understand the rationale for , and goals of, specific marketing activities

Status:

22. Consider shifting the “outside sales” functions to Marketing. There does not appear to be any particular problem with the way these positions interact now with Marketing. However, assigning them directly to that department should improve efficiency and effectiveness. By outside sales we refer to group, student, and international sales. Commercial sales should likely remain in reservations, since they are closely tied to the logistics of car deck management. (Common industry practice)

Status:

23. Aim toward the ultimate goal of effective yield management system-wide. Consider a cross-departmental team that meets regularly to help write effective implementation procedures for planned marketing initiatives. Treat selected promotions as learning exercises for the organization. Under the direction of marketing, use cross-departmental teams to help design, implement and analyze them.

Status:

24. Consider allowing time for marketing personnel to train and rotate through key customer service positions. This is a fairly common practice that allows marketers to get feedback directly from customers. It can also facilitate inter-departmental coordination

Status:

The board adopted a recommendation that an email address be established for feedback to the MTAB board. Staff reported that it has been done.

25. The board approved endorsement of Senate Bill 102, stipulating that for any gaming that may be allowed on AMHS vessels, the net revenue be directed to the Marine Highway Stabilization Fund.
26. The board recommended an immediate marketing effort to fill south bound Bellingham sailings for May 04