



Significance of Alaska's Marine Highway System

Southwest Alaska Municipal Conference

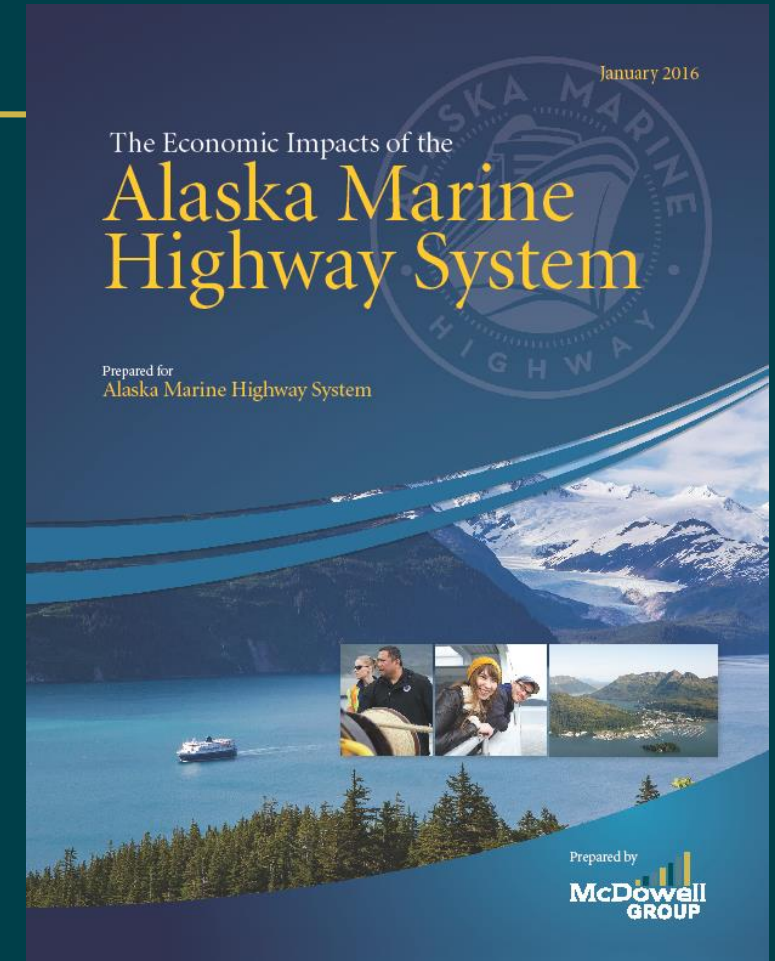
March 5, 2020

McDowell Group

- Multidisciplinary research and consulting since 1972
- 20 professional staff in Anchorage, Juneau, and WA State
 - Economic and socioeconomic analysis
 - Market research
 - Program evaluations
 - Feasibility studies
 - Organizational development and planning

Presentation

- Highlights: *AMHS Economic Impacts*
 - Methodology
 - Traffic
 - Employment and Spending
 - Role in Industry
 - Role in Communities
- Recent Data



Methodology

- AMHS data (2014)
 - Traffic: passengers, vehicles, port traffic, freight, residency, etc.
 - Employment/payroll by community
 - Capital/operating expenditures by community
- IMPLAN for impact analysis
- Alaska Visitor Statistics Program
- Executive interviews in case study communities

Overview and Traffic



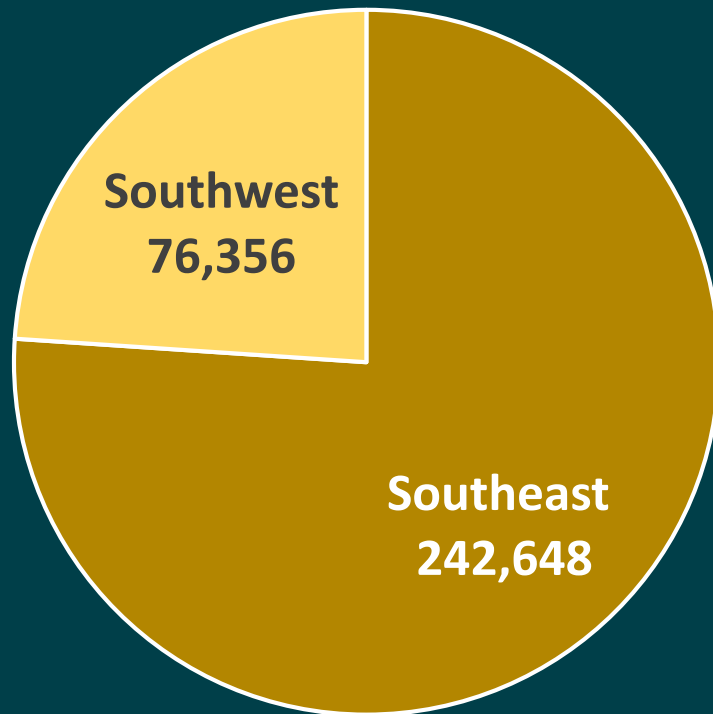
History

- 1951: Territory operates ferry in Lynn Canal
- 1963: AMHS begins with four vessels
- 1970s/80s: vessels and services expand
- 1980: 9 ships; 30 ports
- 1992: peak traffic (420K pax)
- Late 90s-late 00s: traffic decline
- 2014: 33 ports; 319K pax



AMHS Traffic

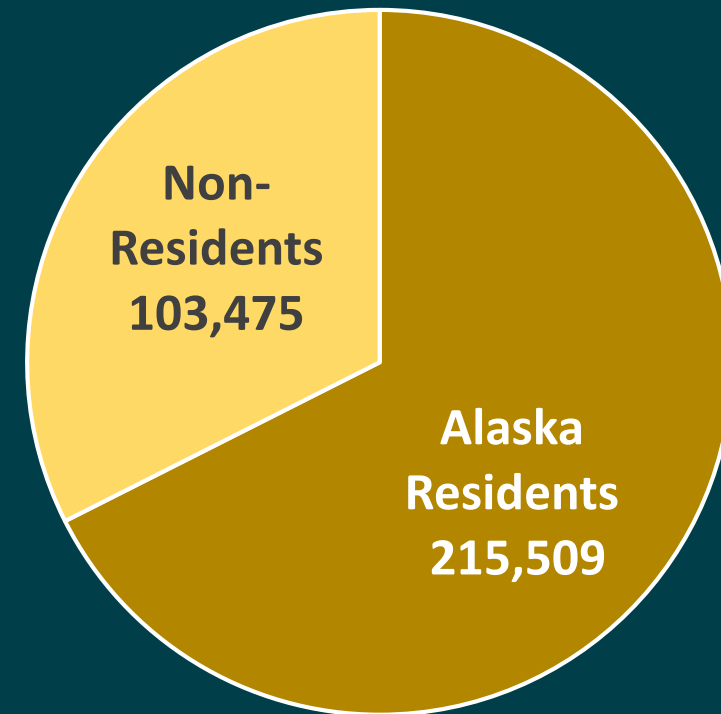
2014 Passengers by System



**Total
Passengers:
319,000**

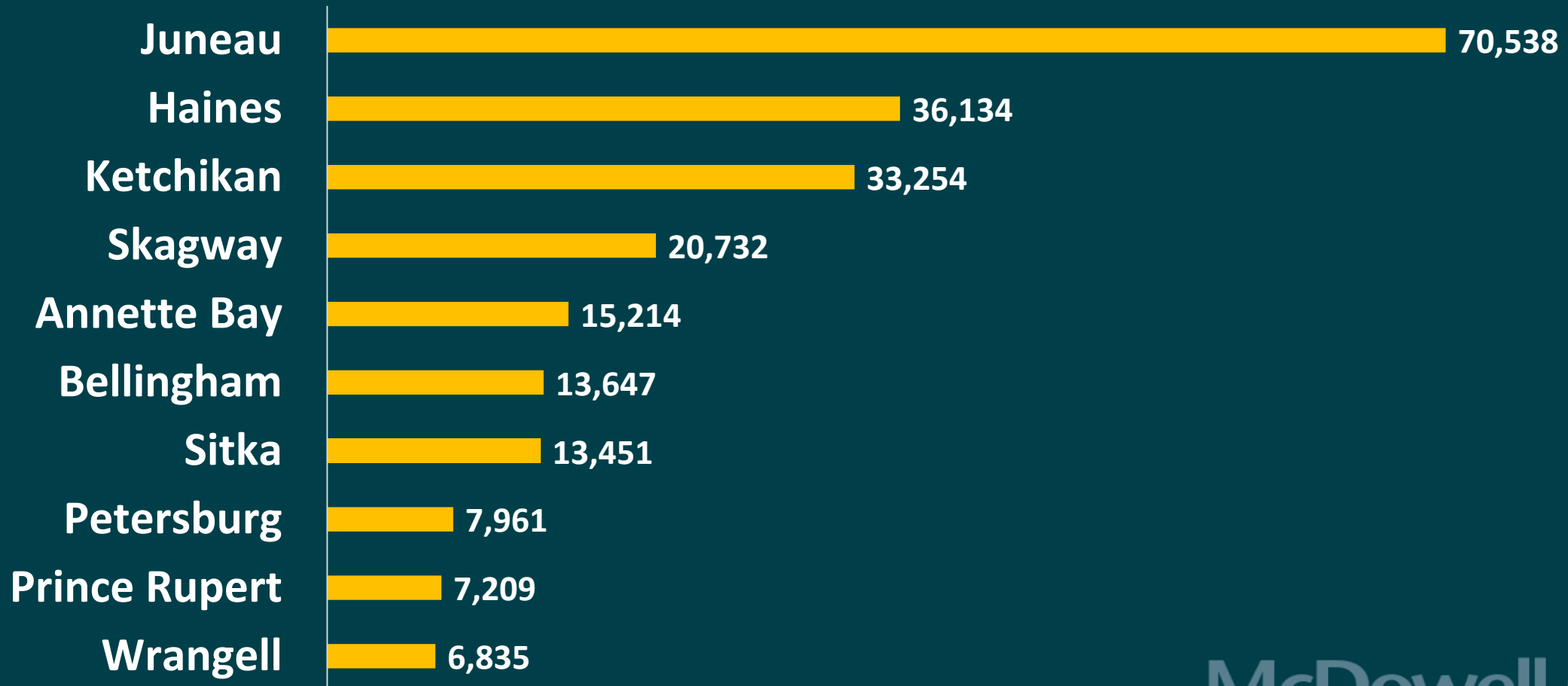
**Total
Vehicles:
108,500**

2014 Passengers by Residence



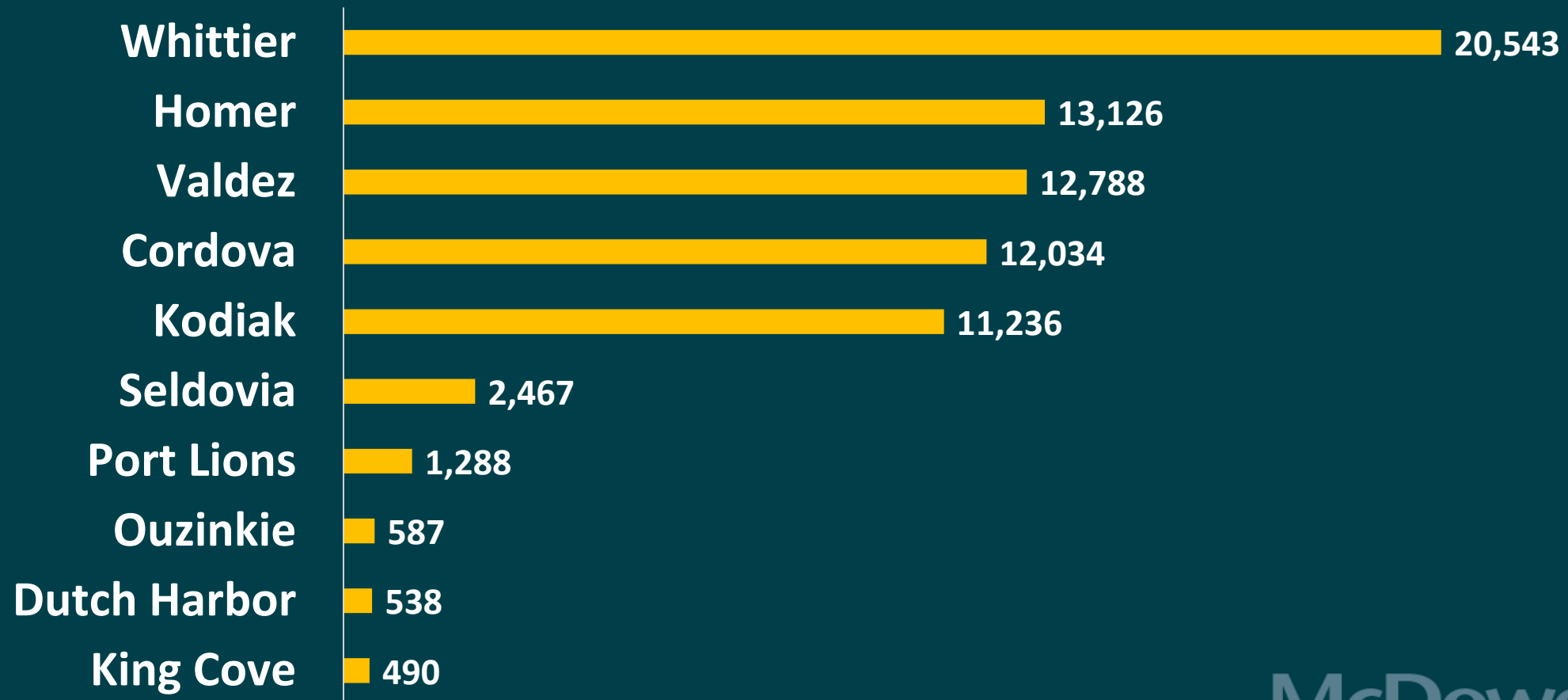
Embarkations: Southeast

Embarking Passenger Traffic, Top 10 Southeast Ports, 2014



Embarkations: Southwest

Embarking Passenger Traffic, Top 10 Southwest Ports, 2014



Freight

- In 2014, AMHS transported
 - 13,110 vehicles w/o drivers
 - 4,320 RVs
 - 3,862 container vans
 - 2,269 non-motorized vehicles
 - 115 ATVs
 - 18,016 pets/livestock

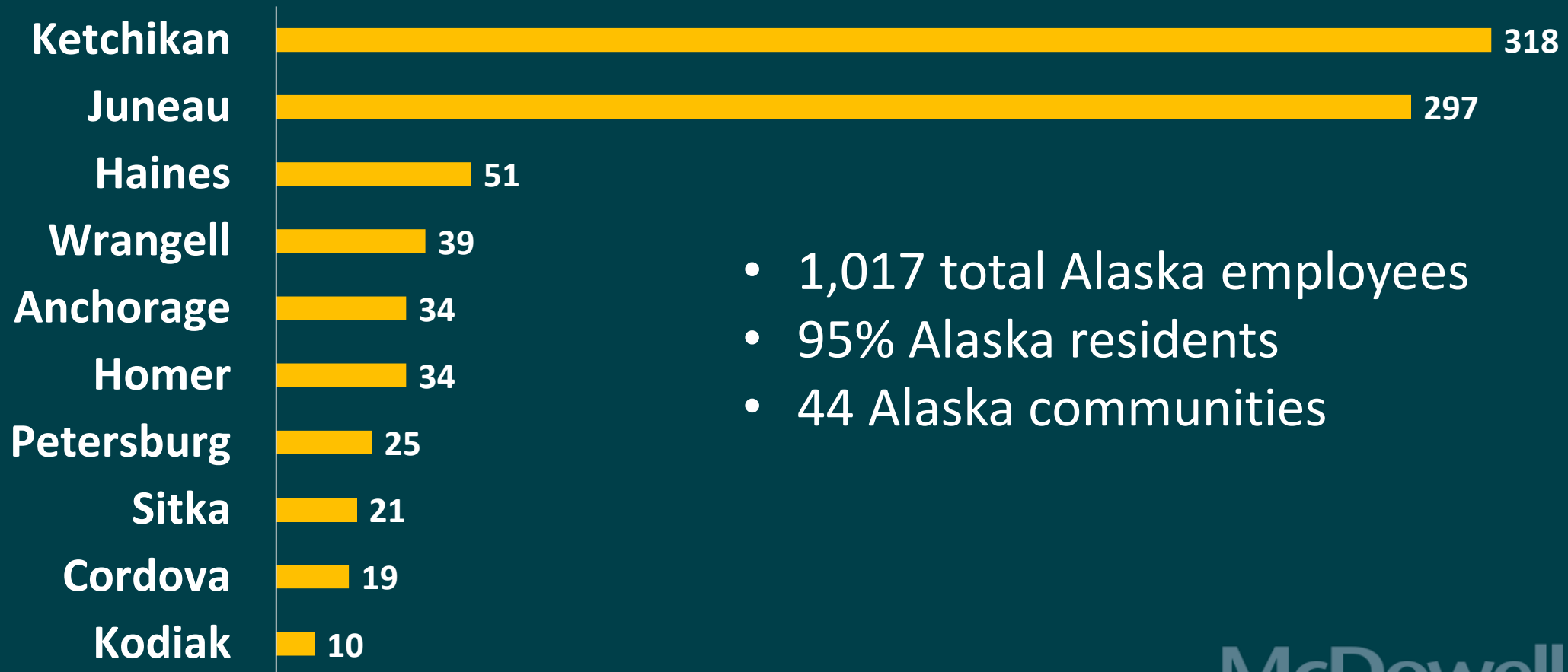


Employment & Spending



Employment

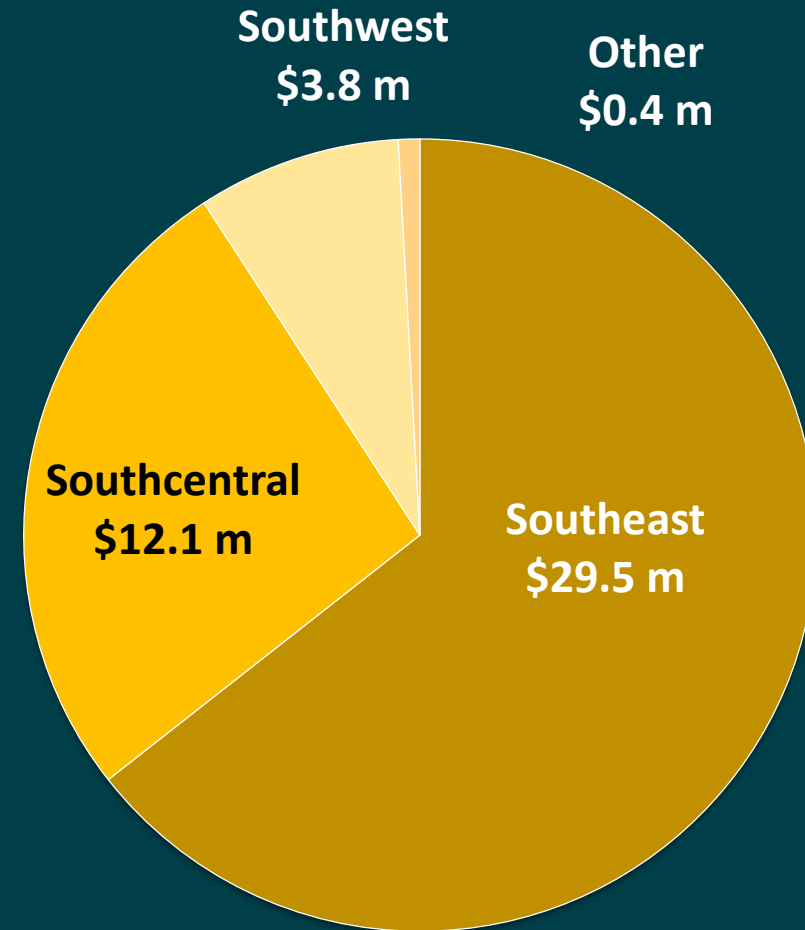
AMHS Employment by Community of Residence, Top 10, 2014



- 1,017 total Alaska employees
- 95% Alaska residents
- 44 Alaska communities

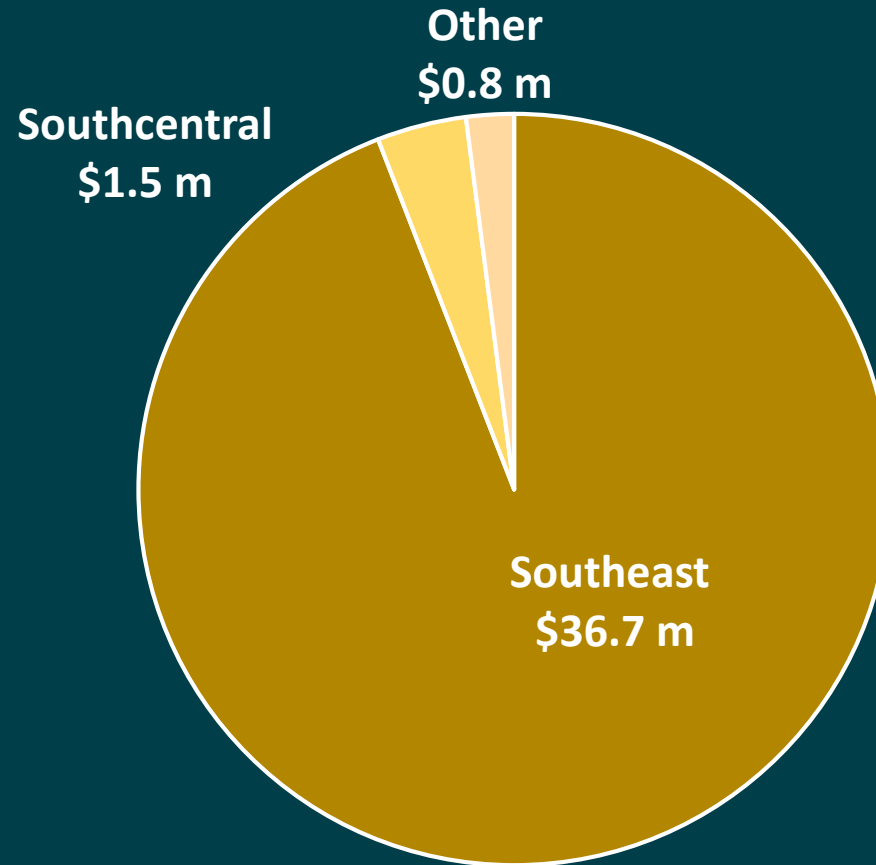
Operations Spending

- **Alaska** operations spending: \$45.7 million
- 500 Alaska businesses
- Anchorage third-highest spending



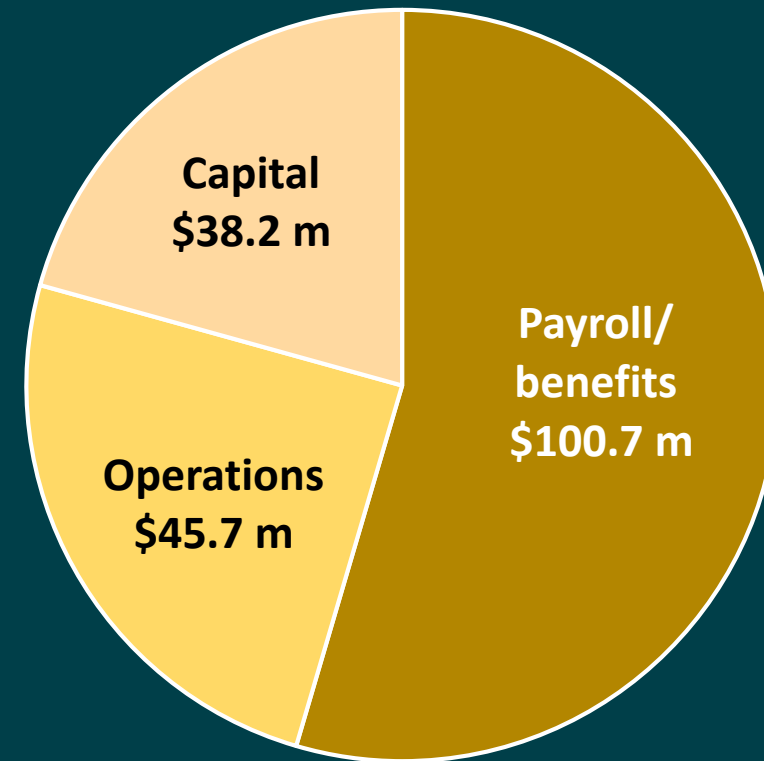
Capital Spending

- **Alaska** capital spending: \$38.2 million
- 37 capital projects
- 81% to Ketchikan
 - Columbia new engine, \$15.8m
 - Alaska Class Ferry construction, \$6.2m
 - Kennicott refurbishment/upgrades, \$6.2m



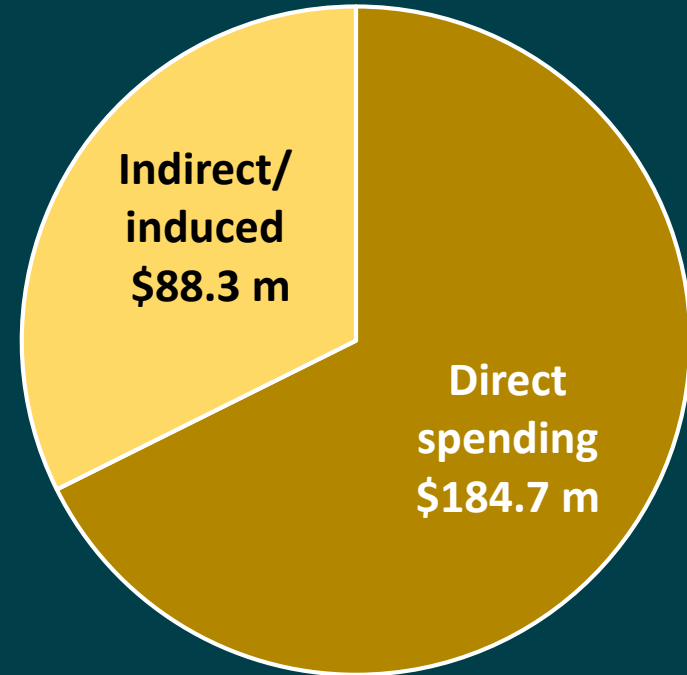
Total Direct Spending

- Total direct spending in **Alaska**:
\$184.7 million



Total Economic Impacts

- Total spending impact in **Alaska**:
\$273 million
 - General Fund: \$117 million



Total Spending: \$273 million

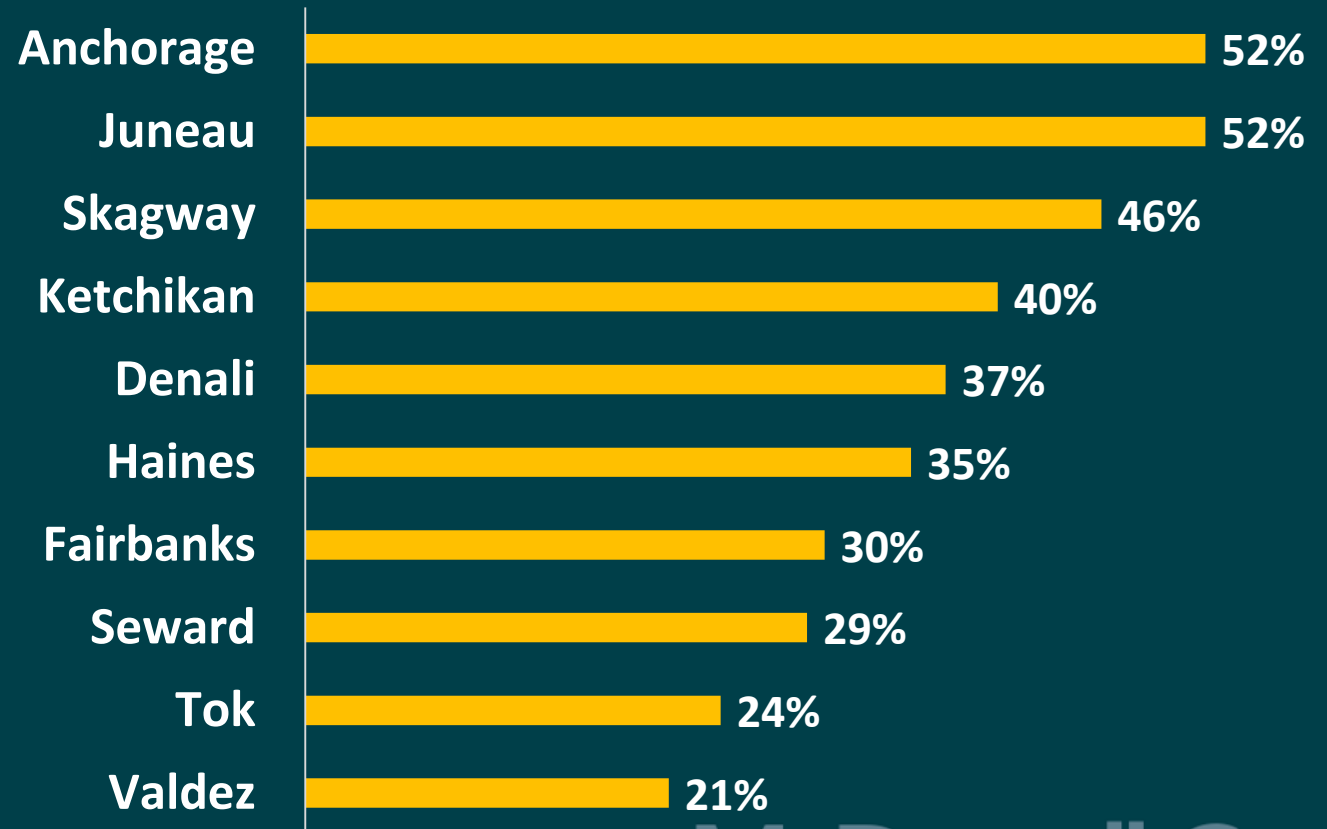
AMHS Role in Industry



Visitor Industry

- 103,000 non-resident passengers
- Average spending in Alaska \$1,300/person (excluding transportation to enter/exit Alaska)
- Those who entered/exited Alaska via AMHS spent average \$1,700/person

Top 10 Alaska Destinations of Alaska Visitors Using AMHS, Summer 2011



Seafood

- Provides critical alternative to air
- Important seafood ports include Kodiak, Cordova, Petersburg, Wrangell, and Juneau
- Affordable transportation allows for higher price paid to fishermen



AMHS Role in Communities



Community Role

- Local employment and wages
- Purchasing from wide variety of local businesses
- Brings visitors; enhances visitor experience
- Provides affordable transport of seafood
- Shipping equipment, materials, and perishable goods
- Encourages local purchasing of goods and services
- Lowers cost of living

Community Role cont.

- Connects residents with jet service
- Access to health care services
- Special events: Copper River Wild Salmon Festival, Gold Medal, Haines Fair, Celebration, etc.
- Provides affordable school-related travel



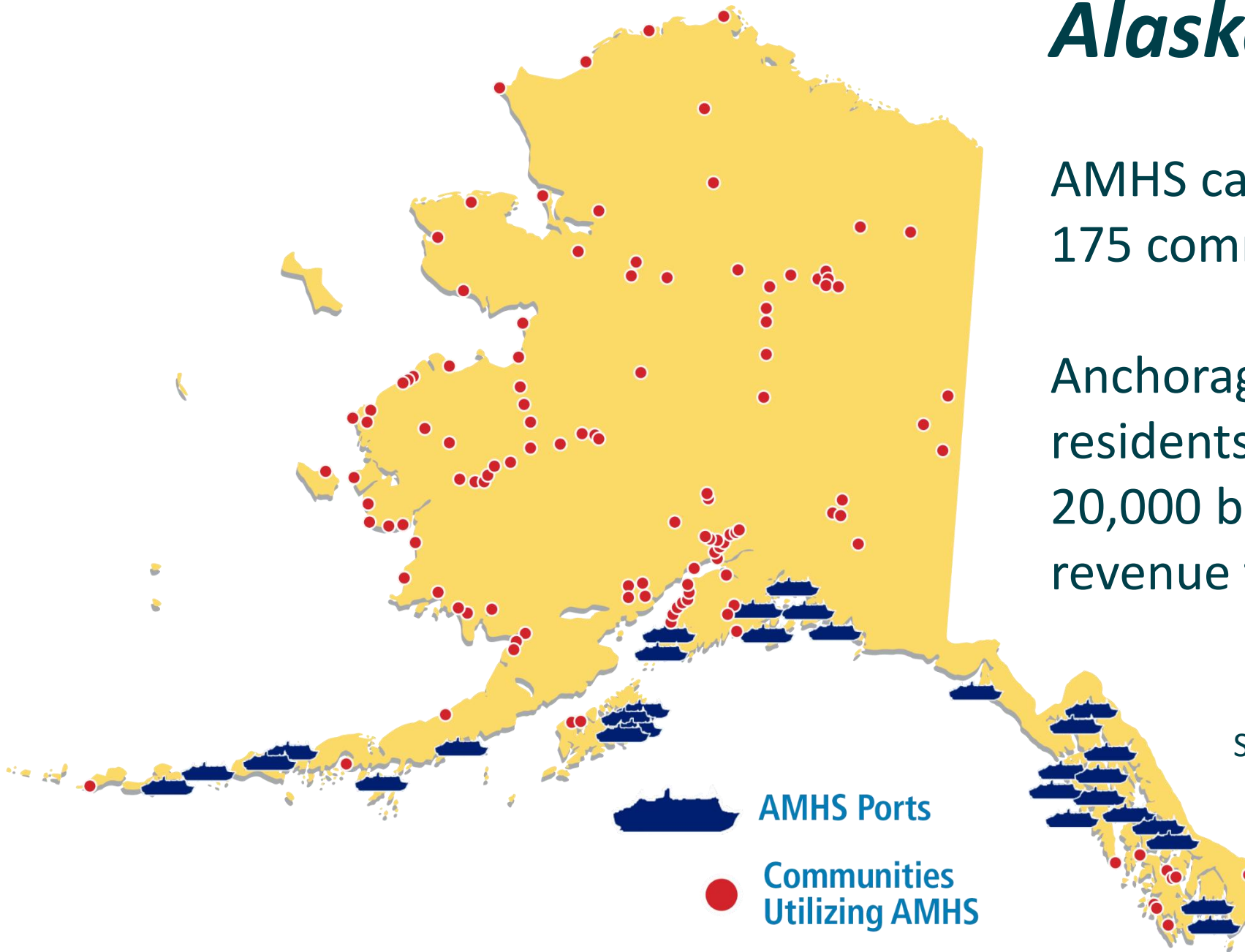
Recent Studies



Alaskan Ridership

AMHS carried residents from
175 communities

Anchorage and Mat-Su
residents accounted for
20,000 bookings and 15% of
revenue from Alaskans

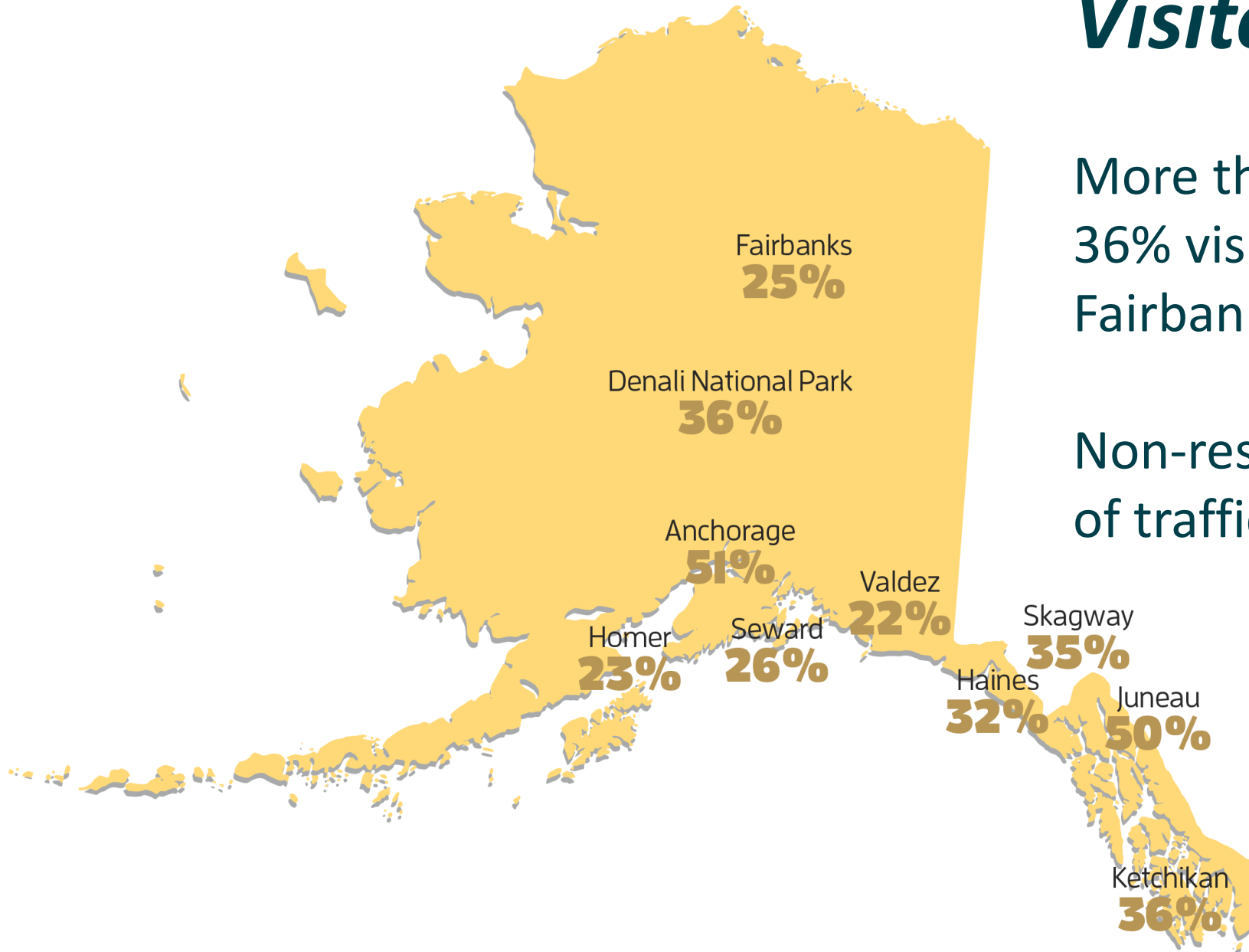


Source: AMHS Reform

Visitors and AMHS

More than half visit Anchorage, 36% visit Denali, and 25% visit Fairbanks

Non-residents account for 30% of traffic and 40% of revenues



Source: AVSP 7, AMHS Reform



Thank you!

www.mcdowellgroup.net

www.amhsreform.com

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