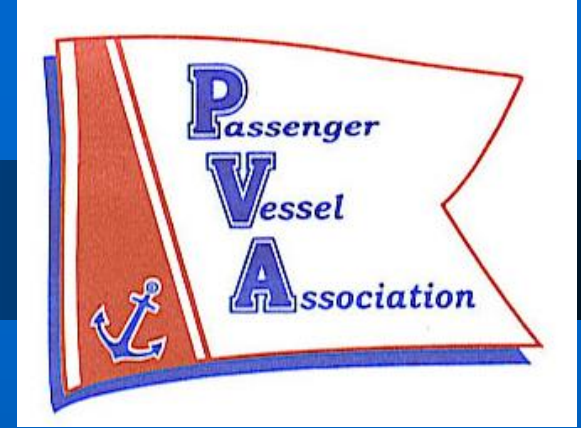


Passenger Vessel Association Expert Panel Review

Capt. Elizabeth Gedney
Director, Safety, Security and Risk
Management

Who is PVA?



- US Flag passenger vessels
- Employing only US citizens as crew members
- 400 vessel operating companies
- 93 members identified as ferry operator
- Associate members that provide all the support and services operating companies need.
- Celebrating 40 years in 2011

Services PVA provides

- Insurance
- Regulatory Assistance
- Legislative Assistance
- Training and education
- Annual Convention
- Regional meetings
- One-on-one assistance



With me today

- **Mr. John Waterhouse, PE**
 - Elliot Bay Design Group
 - Contractor to PVA on the report
 - Came today to answer technical questions you may have

Project Goals

- **Review and comment on previous studies and audits**
 - 4 year look back
 - Determine if best practices being used
- **Report on the implementation of recommendations from those studies compared to national best practices**
- **Report on procedures for crew and vessel scheduling and make recommendations**

Who were these Experts?

Clipper Navigation, Inc.



- Mr. Darrell Bryan, Chairman
- President, Clipper Navigation since 1986
- Previously with Amtrak
- High Speed ferry operator
 - Seattle, San Juan Islands,
 - Victoria



Cape May – Lewes Ferry



- **Capt. Heath Gehrke**
- **Director of Ferry Operations since 2004**
- **Previously with Hornblower Marine**
- **Providing ferry service between Cape May, New Jersey and Lewes, Delaware**





Staten Island Ferry

- **Capt. James DeSimone**
- **Deputy Commissioner & COO since 2004**
- **25 years marine operations experience in passenger vessels, great lake freighters and towing**
- **Providing service between Manhattan and Staten Island**





Golden Gate Ferry

- **Mr. James Swindler**
- **Deputy General Manager, Ferry Div. since 2003**
- **23 years with Steamship Authority in Operations and Engineering**
- **Passenger only service between Marin County and San Francisco**



Woods Hole, Martha's Vineyard & Nantucket Steamship Authority

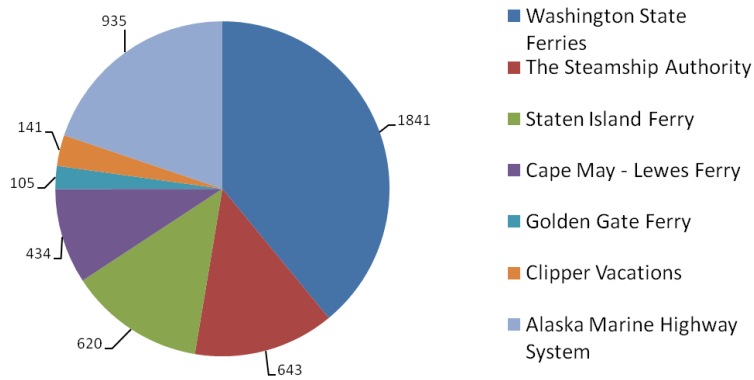


- Mr. Wayne Lamson
- General Manager since 2004
- Started with the Authority as a ticket seller, served as Comptroller

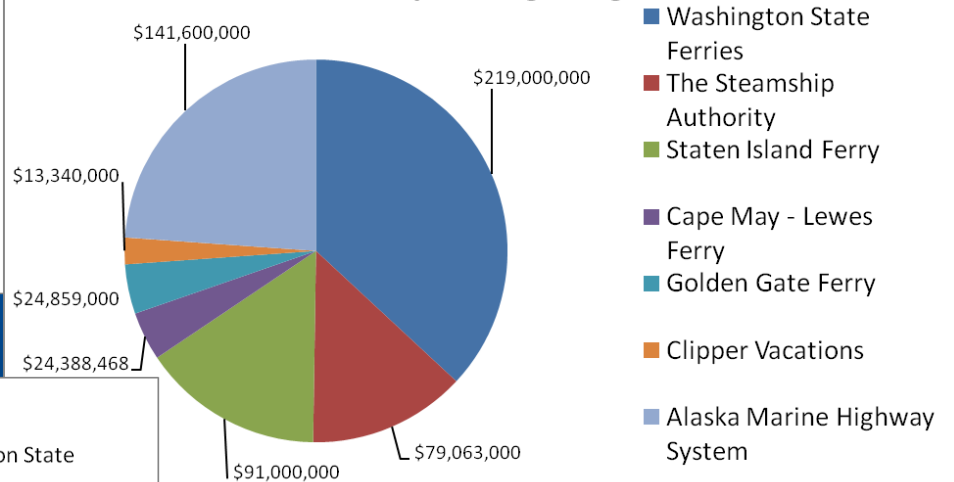


Each team member brought strengths to the project

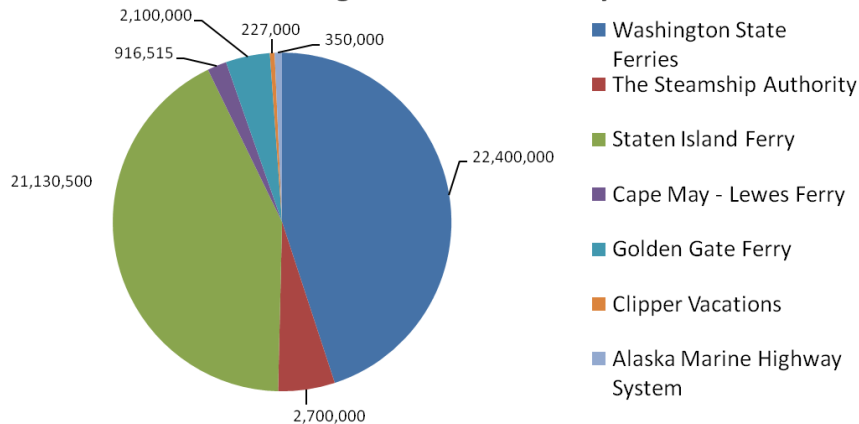
Number of Employees



Total Operating Budget



Passengers Carried Annually



Procedures

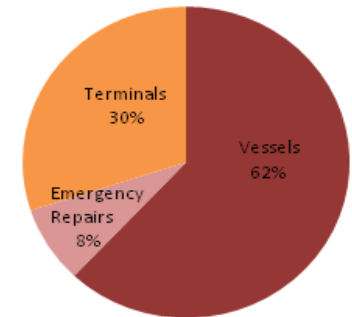
- **The Panel met by conference call first to discuss the project**
- **Two meetings were held in Seattle for two days**
- **Meetings were organized in the major categories you see in the report**
- **Included a tour of Eagle Harbor**

...

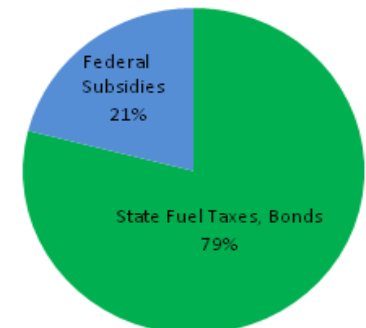
What did they discuss?

- **Management Practices**
 - **Governance**
 - **Design & Management of Large Capital Projects**
 - **Fleet Management**
 - **Performance Measures**

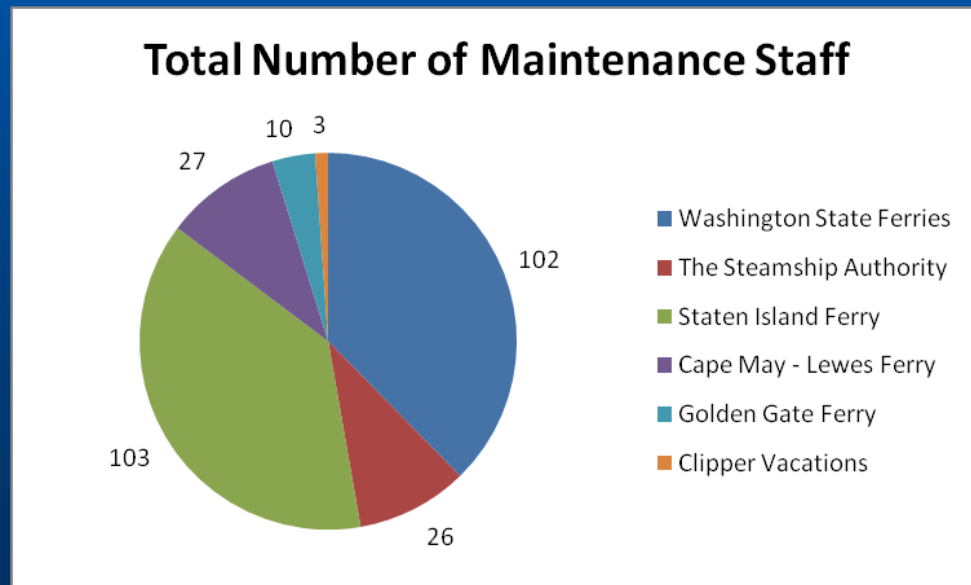
2007 - 2009 Capital Expenditures,
Total \$156 million



2007 - 2009 Capital Revenues,
Total \$190 million



- **Vessel & Terminal Maintenance**
 - **Vessel Maintenance Practices**
 - **Terminal Maintenance Practices**
 - **Eagle Harbor Maintenance Facility**



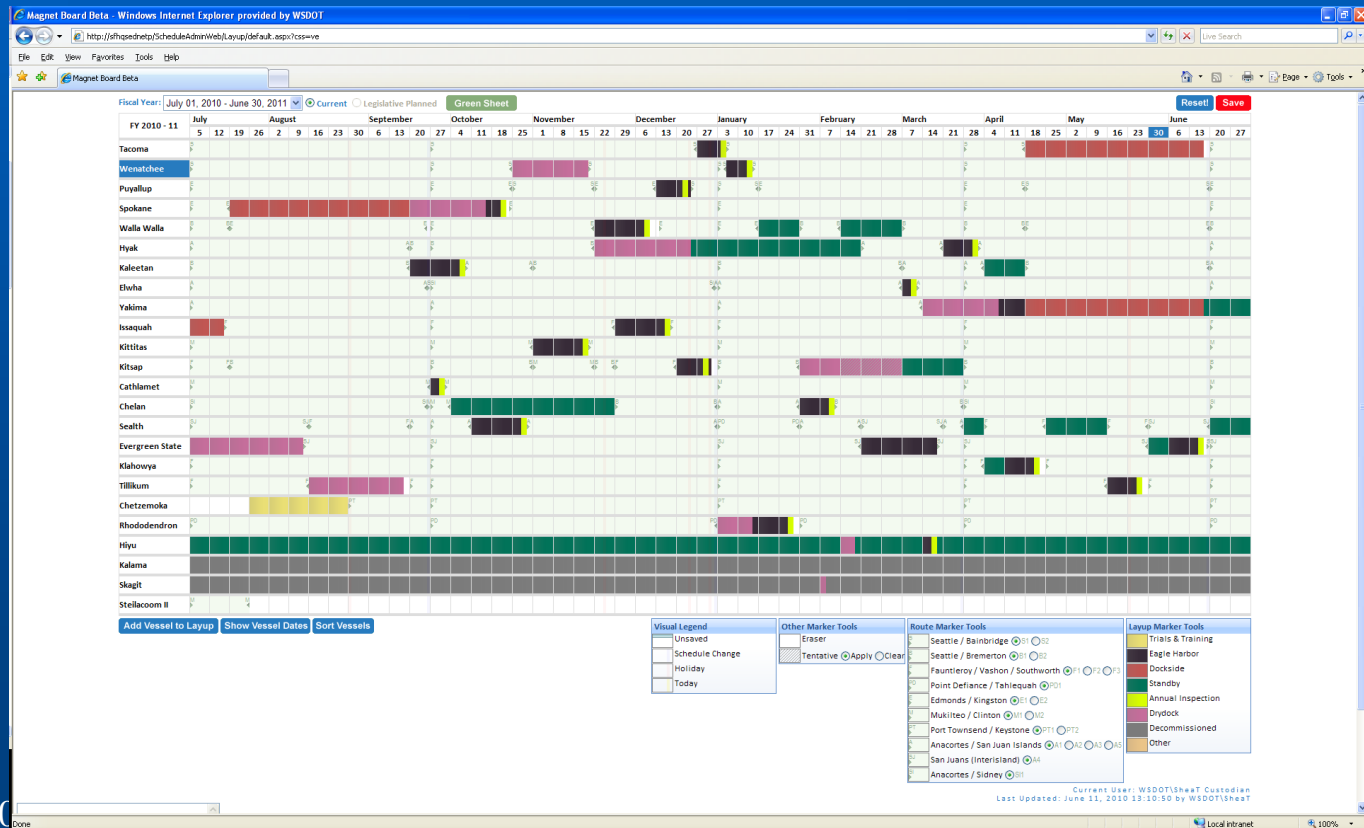
- Finance

- Operating Finances and Capital Finances

Operator	Farebox Recovery	Fare/Passenger Mile	Cost per Passenger
Washington State Ferries	65%	\$0.53	\$9.92
The Steamship Authority	100%	\$0.88	\$27.09
Staten Island Ferry*	0%	\$0	\$4.62
Cape May – Lewes Ferry	68.0%	\$0.71	\$10.77
Golden Gate Ferry*	45%	\$0.83	\$11.77
Clipper Navigation*	100+%	\$1.17	N/A
Alaska Marine Highway	26.4%	\$0.54	\$404.57

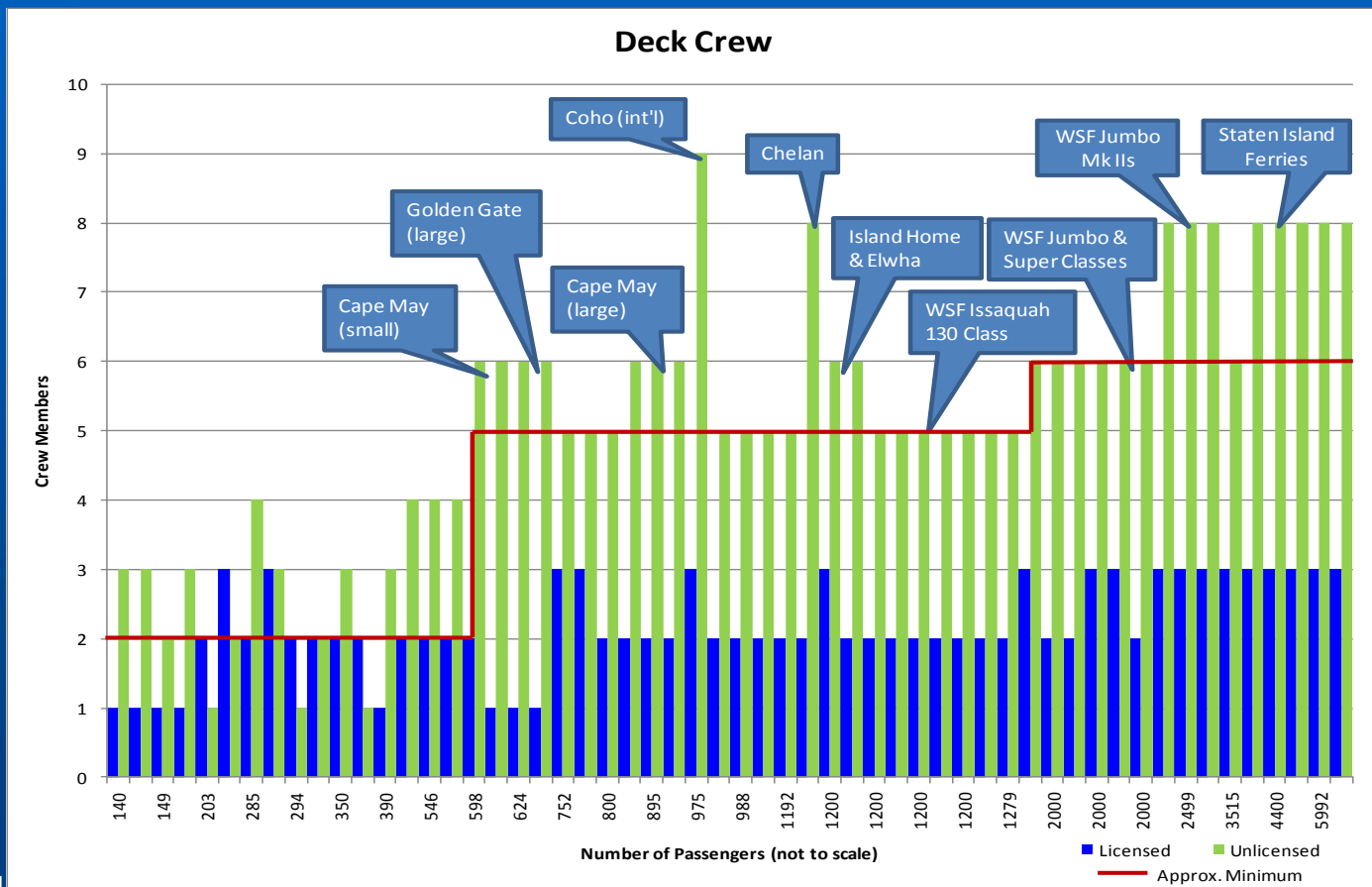
● Scheduling

- Service Schedule Development
- Crew Work Schedule Development
- Vessel Maintenance



- Labor

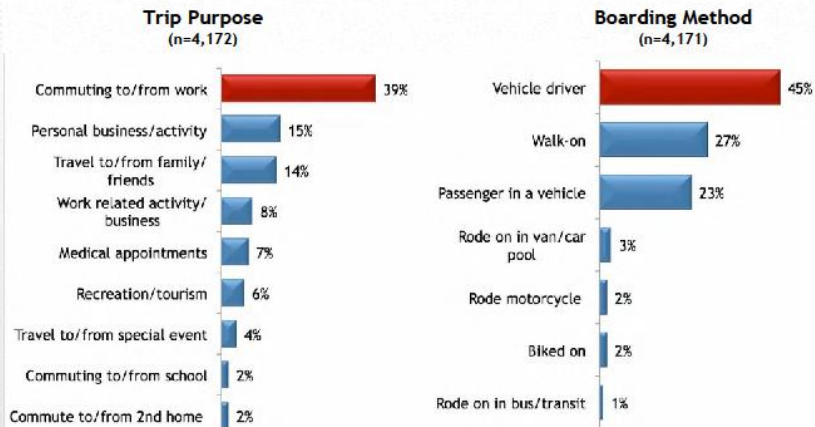
- Deck Staffing Levels and Procedures
- Engineering Staffing Levels and Procedures



Customer Interactions

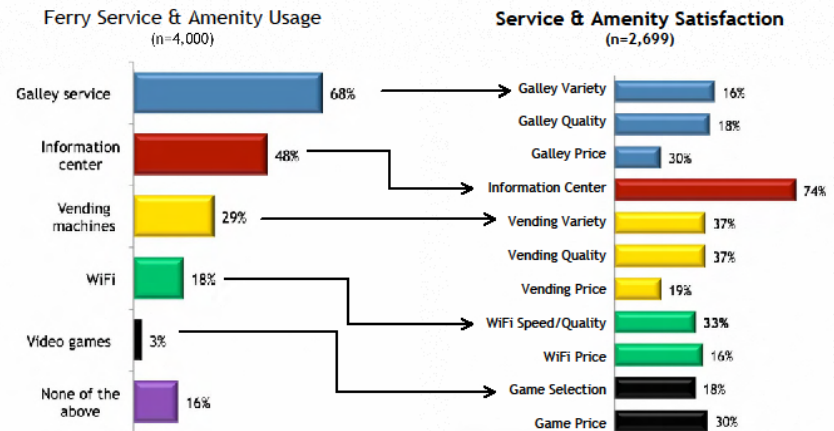
- Loading and Unloading
- Reservation System
- Customer Service Standard

Last Ferry Ride



Q28 Thinking about your LAST FERRY RIDE ONLY, which of the following was the PRIMARY PURPOSE for that specific trip?
 Q29 Thinking about your LAST FERRY RIDE ONLY, were you the vehicle driver, a passenger in a vehicle or did you walk onto the ferry?

Ferry Services & Amenities Usage



Q17 Listed below are some services and amenities. For each one, please indicate if you use the service or amenity.
 Q18a-e How satisfied are you with the following aspects of the ...?

Findings and Recommendations

“The Panel believes that WSF is well-managed, with policies and procedures that generally match industry best practices. We note that WSF has made progress on many of the recommendations presented in the studies and audits of the Ferry Division over the past four years...Like any large, complex organization there is always room for improvement. The Panel offers some recommendations that will continue the alignment of WSF with best industry practice.”

(p. 93)

Recommendations in the final report

Management

- 1. State should consider studying ferry governance model to determine if opportunities exist for positive change.**
- 2. Vessel Master (Captain) should act as management's representative for vessel and crew.**
- 3. WSF should modify capital projects design and management structure to be more in line with industry norm, which largely contracts out major projects.**
- 4. WSF should study 5 to 10-year roster of capital projects and reduce engineers and designers over time.**
- 5. WSF should continue operating vessels maximum of 60 years.**

Management

- 6. Should have a dedicated funding source for new vessels.**
- 7. Should plan around a fleet of 22 vessels.**
- 8. Should bid construction of vessels nationwide.**
- 9. WSF should examine marine insurance to determine if they have proper types and levels.**
- 10. WSF should continue to develop strong loss-prevention program for accidents.**
- 11. WSF should establish additional key metrics in level of service, cost efficiency, and safety.**

Vessel and Terminal Maintenance

- 12. WSF should run a test project to contract drydocking for an entire vessel class.**
- 13. WSF should not adopt Cedar River Group suggestion to require vessels in maintenance at commercial shipyards to be available within 24 hours.**
- 14. Adequate funding and sufficient schedule should be guaranteed to support 60-year vessel life.**
- 15. Should continue to emphasize vessel construction over terminal construction. Terminal maintenance and preservation should be funded.**

Vessel and Terminal Maintenance

16. **WSF should explore different approaches to in-house maintenance.**
17. **Should be additional supervisory staff at the Eagle Harbor maintenance facility that are part of management and not part of labor force.**

Financing

18. **WSF should continue transition to zero-based budget.**
19. **Legislature should establish a vessel replacement fund.**
20. **WSF should institute automatic fare increases tied to fiscal calendar, and should have authority to set fares**
21. **Should continue to develop policies and procedures for a fuel surcharge.**
22. **Should evaluate a fuel price management program.**
23. **WSF should continue to seek new technologies that are more energy efficient and to refine operating procedures.**

Scheduling

- 24. Should continue to evaluate demand for extended hours of service and apply demand management tools as appropriate.**
- 25. WSF should continue to seek ways to reduce vessel out-of-service time.**
- 26. WSF should study ways to right-size crew levels when there are fewer passengers onboard.**

Labor

27. **WSF should evaluate current vessel staffing versus staffing required by Coast Guard.**
28. **WSF should identify alternate methods of building crew sense of ownership.**
29. **WSF should implement a pilot program where only the Chief Engineer's position is staffed 24 hours.**
30. **WSF should study types of work performed by vessel crews while vessel is in a shipyard and determine cost/benefit.**

Customer Interactions

31. WSF should consider set cut-off time for loading.
32. Vehicles should be unloaded ahead of bikes.
33. "Tunnel" should be unloaded before gallery and side decks.
34. WSF should continue to implement reservation system for appropriate routes.
35. WSF should evaluate policies, mission statement and training to assure commitment to customer service communicated to staff and customers.
36. WSF should develop program to ensure all staff who interact with public are performing at high standards, and a develop recognition program.

Thank You

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