

Senate Transportation Committee

Alaska State Legislature



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SB 170 - Sponsor Statement

Alaska Marine Highway Corporation Act

“An Act relating to the Alaska marine highway system; establishing the Alaska Marine Highway Corporation; and providing for an effective date.”

The past few decades have highlighted systemic issues that pose sustainability risks to the Alaska Marine Highway System (AMHS), including funding uncertainty, schedule instability, indirect labor negotiations, equipment breakdowns, and periodic political changes. The AMHS is a complex system in crisis that has had multiple taskforces and workgroups from 1984 to 2020 evaluate management structure and business directives. The 2020 *Alaska Marine Highway Reshaping Workgroup* determined that management structure change was needed and recommended strengthening AMHS governance, renegotiation of marine union labor agreements, and stabilizing budget planning. The 2017 *AMHS Reform Strategic Business and Operational Plan* determined that AMHS management needed to invest in long-term planning and strategy and recommended transitioning to a state public corporation.

Without significant changes to the AMHS, coastal communities may be left without essential marine transportation services that connect Alaskans with economic and service hubs and supporting the overall transportation needs of the state. Senate Bill 170 would transition the AMHS into a public corporation for the purposes of stabilizing the management structure, foster greater alignment between management and labor, and limit exposure to political influence. While each public corporation is unique in its purpose and powers as defined in statutes. As a public corporation, AMHS could develop long-term vision, foster stability and accountability, and develop fleet and business operations in a strategic and efficient manner.

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