From: <u>Eric Gucker</u>

To: Senate Finance Committee
Subject: Alaska Marine Highway System
Date: Monday, March 30, 2015 5:34:36 PM

Thank you for allowing my input in this democratic process.

First, our State would not be in the current budget deficit position if the price of oil was not over-estimated. Why not under-estimate the price of oil at a reasonable \$50/barrel, base our budget on those numbers and if the price goes above that then we have the money to spend? That is just simple fiscal responsibility. What responsible person, family or business over-estimates what they might make?

Second, the AMHS is a crucial part of our state highway system. It, like all paved highways, is the way we get from one place to another. As such, ferry service to the public should not be cut unless road service is also cut. Very few legislators ever use the AMHS and are generally out of touch about the service that it provides the people of the State of Alaska. AMHS, as essentially a toll road, used to generate 65% of its operating budget. Today the AMHS makes 30% of what it spends, but remember that we are not in the business of making money and no pavement road generates any money at all with many millions annually to maintain.

Third, the significant decline in what the AMHS generates in revenue versus what it costs has much more to do with management (or lack thereof) than decreased ridership. During the past 27+ years that I have worked for the AMHS I have witnessed management staffing increase by aprox. 130% while vessel employees have virtually stayed the same. Before you think about cutting ferry service I respectfully ask that you seriously look at management and all the unnecessary jobs they continue to create. If upper management were held accountable and positions were cut instead of ferry service it would prove that legislators actually want to reduce the budget without sacrificing service to the public.

Finally, this is a very abbreviated version of the letter that I have written to the Governor on this subject and I would be very happy to send any of you a copy of my letter if you would like all the facts and figures allowing you to make an intelligent decision.

Thank you all for your service to us.

Eric Gucker 3rd generation Alaskan AMHS (currently Chief Purser M/V Kennicott)