

From: [Gary Hanson](#)
To: [Senate Finance Committee](#)
Subject: Regarding Cuts to the Alaska Marine Highway
Date: Tuesday, March 31, 2015 1:57:46 PM

To: Co-Chairs Sen. Kelly, Sen. MacKinnon, and Committee members,

The Alaska Marine Highway collects over \$50 million annually in revenue. We are told, this is about one third of the annual cost to operate the system. Assuming this is an accurate ratio of expense to income, it is possible that a \$12 million cut to the operating budget could result in a \$4 million or more decrease on the revenue side. A careful assessment of loss of revenue potential from proposed cuts would definitely be warranted. A McDowell Group study commissioned by the towns of Haines and Skagway did determine that \$4 out of every \$10 of AMHS revenue travels through those two ports.

Thank you

Gary Hanson

Skagway Assembly