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Sponsor Statement: House Bill 249 v. M

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

In recent years, ferry service has declined due to budget cuts, an aging fleet, and difficulties arising from labor and management relations. Without significant changes to the Alaska Marine Highway System, coastal communities may be left without the critical transportation services that link them to vital supply centers and encourage economic opportunity.

House Bill 249 would transition the Alaska Marine Highway System into a public corporation for the purposes of stabilizing the system and operating it with the flexibility of a private entity. The legislation stems from the recommendations of the state-wide non-partisan Alaska Marine Highway System Reform Steering Committee that are illustrated in the 2017 *AMHS Reform Strategic Business and Operational Plan*. Benefits of the public corporation model include consistent leadership, alignment between management and labor, and less exposure to political influence. Similar public corporation models seen in Alaska are the Alaska Railroad Corporation, Alaska Industrial Development and Export Authority, and Alaska Housing Finance Corporation, to name a few.

A public corporation as HB 249 contemplates would create efficiencies while providing the long-term vision, stability, and accountability that AMHS needs to operate effectively in the future.

Thank you for your support of this legislation.

Please contact my staff, Sara Perman at 907-465-4087 regarding any questions.