

Alaska State Legislature

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Representative Louise Stutes

Speaker of the House

Sponsor Statement

House Bill 63

This bill would establish a nine-member Alaska Marine Highway (AMHS) Operation's Board, with members having the skills and experience of a ferry commission or a marine business board. The board would have the ability to assess and suggest marine business practices that enhance revenue and reduce costs. Members of the board would be chosen based on experience in personnel management, ship maintenance, construction and repair, plans and activities, and they would also have insight on fleet strategy, reliability and other service objectives.

A continuing challenge for AMHS has been frequent change in policy direction, coupled with insufficient appreciation of long-term implications of such changes. Lack of clarity and long-term planning objectives such as fleet design, vessel deployment strategy, and marine business expertise have also been a hindrance.

A Marine Advisory Board was established under Alaska Statute (AS) 19.65.110, and though formed with capable individuals, it is not structured to effectively direct AMHS with its large marine business operations, planning, or solutions for issues it currently faces. Recent agendas suggest the Marine Advisory Board has kept community stakeholders informed of AMHS activities and budgets and provided them with general feedback about AMHS service. Currently the board is comprised of members from ferry service areas, which brings public transparency and community engagement, however the system cannot survive with community feedback alone. The members must additionally weigh business practices and have expertise in strategic planning.

The AMHS Marine Operations Board would provide professional advice focused on business and financial practices of the ferry system, including fleet planning, maintenance, pricing, service models, and capital asset investment. The board would be comparable to a board of directors providing business leadership and long-term strategic planning for a corporation.

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