



HB 63

ALASKA MARINE HIGHWAY OPERATIONS BOARD

BACKGROUND INFORMATION

1963

AK FERRY SYSTEM ESTABLISHED

- *M/V Chilkat*, became operational in 1957
- 1959, Alaska becomes 49th state making *M/V Chilkat* first state-owned ferry
- Alaska Legislature approved the Alaska Ferry Transportation Act, 1959
- Voters approved bond issues totaling \$18 million to expand services and build four new vessels and docks
- 1963, Alaska Marine Highway established



1984

AMHS TASKFORCE CREATED

- Governor Sheffield created AMHS Taskforce in 1984
- Focus of Taskforce was to assess AMHS structure and rates
- Conclusion of Taskforce: **system was archaic with a lack of continuity or purpose**
- Suggestion of Taskforce: **need change in management structure**

AGING FLEET



M/V MATANUSKA

1962



M/V MALASPINA

1963



M/V TUSTUMENA

1964



M/V LECONTE

1974



M/V COLUMBIA

1974



M/V LECONTE

1974



F/V AURORA

1977

MANAGEMENT ISSUES EARLY ON

1989 Memorandum from Department of Transportation Commissioner

MEMORANDUM **State of Alaska**
Department of Transportation & Public Facilities

TO: The Honorable Steve Cowper
Governor

DATE: August 9, 1989

FILE NO:

TELEPHONE NO: 465-3900

FROM: Mark S. Hickey *MSH*
Commissioner

SUBJECT: Alaska Marine Highway
System

The combination of our inability to articulate the comprehensive system plan, and the real and perceived impacts resulting from the growing budget dilemma (including the resulting impact on legislative perceptions about the System's efficiency), has served as the primary impetus for many to support the establishment of a public authority as a way to address existing problems.

any state policy-makers have suggested that a public authority structure should be established or seriously studied as a way to address problems or shortcomings apparently due to the current structure.

What is missing so far from the debate regarding establishment of an AMHS authority is enunciation of a clear, widely held explanation or statement of the long-term mission of the System. As part of that effort, there needs to be some clarification of what exactly have been the problems and what exactly is desired in fundamental changes in how the System functions. Once there is some consensus on these points, it is then possible to examine the current organization and alternatives to design appropriate adjustments to achieve that mission.

SAME PROBLEMS, SAME ANSWERS

- 1984, Alaska Marine Highway System Taskforce
 - Determination: Need change in management structure to help provide business directive and success in system
- 2016, Alaska Marine Highway System Reform Initiative
 - Determination: Need management to invest in long-term planning and strategy
- 2020, Alaska Marine Highway Reshaping Work Group
 - Determination: Management needs to be restructured and privatization not feasible



WHAT HB 63 ACCOMPLISHES

Creates a nine-member Marine Transportation Operations Board

- Marine Highway Director
- 2 members appointed by Speaker of House
- 2 members appointed by Senate President
- 4 members appointed by Governor

Changes reporting of long-range comprehensive plan from every *five* years to every three years.





THANK YOU



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