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Sen. Stedman: Legislature Not to Blame for Marine Highway Woes

JUNEAU – Senator Bert Stedman, R-Southeast Islands, today expressed disappointment with comments made by Department of Transportation (DOT) officials casting blame on the Legislature for the Alaska Marine Highway System’s (AMHS) current fiscal challenges during this week’s Marine Transportation Advisory Board (MTAB) meeting.

“It was disappointing to hear Department of Transportation officials try to pass the blame for the Alaska Marine Highway System’s current woes onto the Legislature,” said **Sen. Stedman**. “The administration’s proposed budget for the current fiscal year would have stopped all service on September 30, 2019. This was an elimination budget that would have led to the system’s demise.”

Sen. Stedman asked DOT to provide scenarios to keep the marine highway in operation. Those scenarios varied on the amount of state funding and provided different levels of service. As the legislative session progressed, those scenarios were refined.

His office held many meetings with DOT leadership and Office of Management and Budget (OMB) officials, in addition to several public hearings held at the subcommittee level and in the full finance committee. Sen. Stedman also met with fellow legislators, marine highway employees, and concerned Alaskans.

Sen. Stedman negotiated directly with administration officials with three things in mind:

- The importance of the AMHS to Coastal Alaskans – their livelihoods, their businesses, their economies, their way-of-life;
- The administration’s proposed budget and the veto power; and that
- Some service is better than no service – that is, keep the system operating at some level for the full fiscal year.

Sen. Stedman was told on-the-record that the additional \$45 million in unrestricted general funds he negotiated would provide 289 weeks of service compared to the 85 weeks of service in the administration’s proposal.

The administration’s proposed capital budget used:

- \$47.3 million of vessel replacement funds for non AMHS use;
- \$15.1 million of AMHS System Fund to repay the federal government if ferries or terminals were sold off; and
- \$14.5 million of AMHS System Fund for other state uses and non-AMHS purposes.

Sen. Stedman made sure these were reversed and remained in the Vessel Replacement Fund and the marine highway System Fund. The Legislature added an extra \$17.9 million in state funds to the budget for annual overhauls and vessel repairs.

In the capital budget, the Legislature reversed the use of \$77 million of marine highway funds for other state purposes and added \$17.9 million to the budget.

For more information, contact Senate Majority Communications Director [Daniel McDonald](#) at (907) 465-4066.

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