

# Northern Economics Options

- **The scope of work for this study specified 11 options, as described below. This text for each option was derived from a combination of RFP and contract language early in the project.**
- **Reshape the entire AMHS operation by selling or giving all vessels and terminals to a private entity to run whatever service they can justify economically.**
- **Reshape parts of the AMHS by selling or giving some vessels and terminals for the specific purpose of providing service to certain communities, for example communities that are not on the National Highway System (NHS).**
- **Transfer AMHS assets to a public corporation that would provide service based on a fixed or zero General Fund amount. The corporation board would set service levels, fares, and employee pay.**
- **Lease vessels and terminals to a private entity, public corporation or non-profit entity to run as a for-profit business with the state responsible only for vessel and terminal overhaul and refurbishment.**
- **Sell or lease vessels to a private entity, public corporation or non-profit entity while retaining the terminals as a state asset.**
- **AMHS continues as a state entity but is directed by the Legislature<sup>3</sup> to drop or reduce specific high cost, low volume runs on the assumption that these communities would be serviced by the private sector with its own equipment.**
- **AMHS continues as a state entity but contracts out for service to lower volume, expensive routes on the basis that a private entity would use smaller vessels and less expensive crews. Vehicle and passenger service could be provided by different vessels.**