



February 10, 2025

The Honorable Bert Stedman Co-Chair,
Senate Finance Committee
Alaska State Capitol, Room 532
Juneau, Alaska 99801

Dear Co-Chair Stedman,

In response to questions posed by the Senate Finance Committee on February 2, 2026, the Alaska Department of Transportation and Public Facilities (DOT&PF) provides the following information.

Toll Credit Balance and Application: (Sen. Stedman)

The committee requested a detailed accounting of toll credits applied since 2024, along with an explanation of how toll credits function.

A summary of toll credits earned and utilized in support of Alaska Marine Highway System (AMHS) ferry vessel and terminal projects is provided below:

Year	Project Name	Toll Credits Earned/ (Used)
2024	Earned Toll Credits	\$ 42,178,783
2024	Tustumena Replacement Vessel	\$ (32,254,957)
2024	No/Low Emission Shuttle Ferry	\$ (924,280)
2025	Earned Toll Credits	\$ 23,956,041
2025	No/Low Emission Shuttle Ferry (<i>In Progress</i>)	\$ (8,503,377)
2025	M/V Tazlina Crew Quarters (<i>In Progress</i>)	\$ (4,000,000)
2025	M/V Columbia Modernization (<i>In Progress</i>)	\$ (4,224,000)
2025	Mainliner Replacement Vessel (<i>In Progress</i>)	\$ (5,994,894)
2025	Auke Bay Ferry Terminal East Berth Mooring Rehab (<i>In Progress</i>)	\$ (3,008,320)

Year	Project Name	Toll Credits Earned/ (Used)
2025	Angoon Ferry Terminal Rehabilitation (<i>In Progress</i>)	\$ (1,200,000)
2025	Kake Ferry Terminal Rehabilitation (<i>In Progress</i>)	\$ (1,448,391)
2025	Pelican Ferry Terminal (<i>In Progress</i>)	\$ (2,277,421)
Balance:		\$2,299,184

Toll credits are a federal financing tool that allows the State of Alaska to meet federal matching requirements without the use of State cash contributions. Toll credits represent previously earned credit based on eligible expenditures and may be applied toward the non-federal match portion of federally funded transportation projects. While toll credits reduce State match obligations, they do not provide direct project funding. Authority for toll credits is provided under 23 U.S.C. §120(i).

FFY2023 Rural Ferry Grant Application Timeline: (Sen. Hoffman)

The committee requested confirmation of the submission date for the federal fiscal year (FFY) 2023 Rural Ferry Program grant application.

The FFY2023 application titled *Restoring the Health of the Alaska Marine Highway System for Sustainable Operations to Rural Communities* was submitted on or before the Federal Transit Administration’s application deadline of July 17, 2023.

Added Value of Rural Ferry Grant Funding: (Sen. Stedman)

The committee requested additional detail regarding the value provided by Rural Ferry Grant funding, including the total capital and operating funding benefit and associated funding sources.

Since 2023, the Federal Transit Administration Rural Ferry Program has provided significant operating assistance funding to support AMHS service to rural communities. The federal award amounts and corresponding State of Alaska general fund match contributions are summarized below:

Award Year	Federal Award	GF Match
2023	\$44,823,800	\$44,823,800
2024	\$38,511,041	\$38,511,041
2025	\$66,050,400	\$45,899,430
Total:	\$149,385,241	\$129,234,271

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These federal awards have allowed the State to sustain ferry system operations, preserve service to rural and remote communities, and reduce reliance on State general fund expenditures that would otherwise be necessary to maintain AMHS service levels.

DOT&PF appreciates the committee's continued interest in maintaining safe, reliable, and sustainable marine transportation services for Alaska's communities. Please let us know if additional information would be helpful.

Respectfully,

A handwritten signature in blue ink, appearing to read "Ryan Anderson".

Ryan Anderson P.E.
Commissioner

cc: Andy Mills, Legislative Liaison, DOT&PF
Jordan Shilling, Director, Governor's Legislative Office