

Dear Senator Bjorkman & Members of the Senate Transportation Committee,

Thank you again for the committee's time and attention during the hearing at Cascade Point. As noted during testimony, we wanted to follow up with additional detail on several questions raised:

1. Costs to the State from Delayed Cultural Site Review

Proceeding with field work or project design before examining cultural heritage sites can expose the state to considerable rework and delay risk. If historic or cultural resources are discovered later in the process, costs can rise due to redesign, consultation, and possible federal re-initiations under Section 106 of the National Historic Preservation Act (NHPA). Completing desktop and field review early is generally the most cost-effective approach. In our current understanding, the State has spent \$4.5M on design work, aside from the \$28.5 million in the contract with the builders for Stage 1. There is an existent and pre-identified cultural site as noted in the maps from DOT presentations (below). Initial estimates in consultation with our subject matter expert, Lois Epstein, for redesigns to address this could range from at least 10-20% of design costs, \$450,000-\$900,000 for design alone.

From SEACC's technical comment (included in pre-testimony materials provided with cover letter).

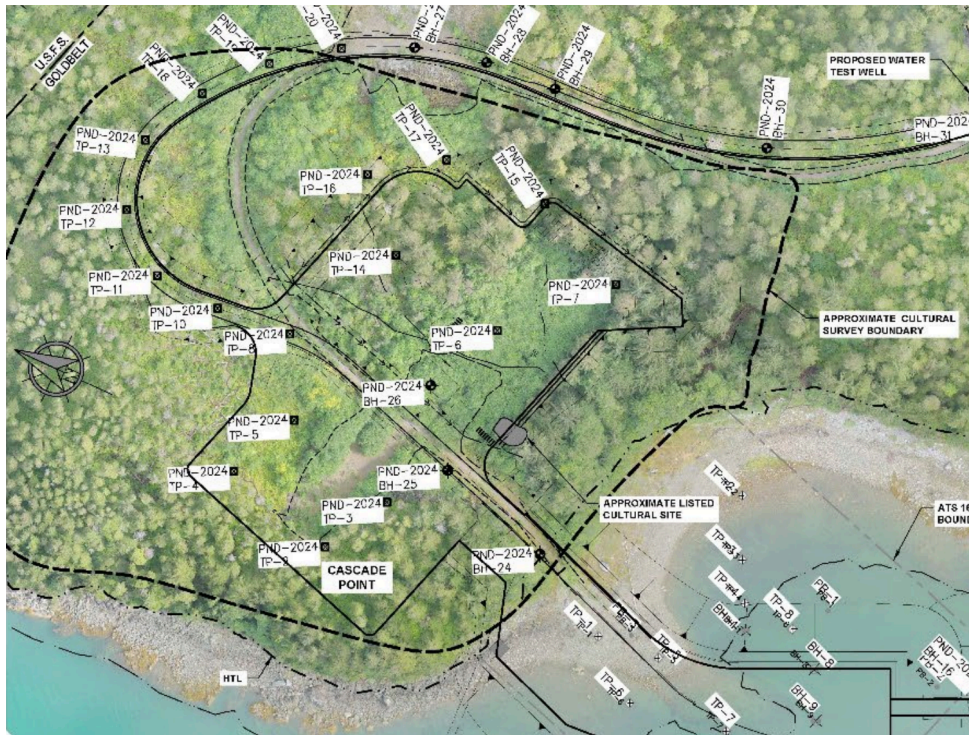


Figure 1. A map excerpt from the March 5, 2024 DOT presentation slides showing the outline of the approximate cultural survey boundary in a thick dashed line.

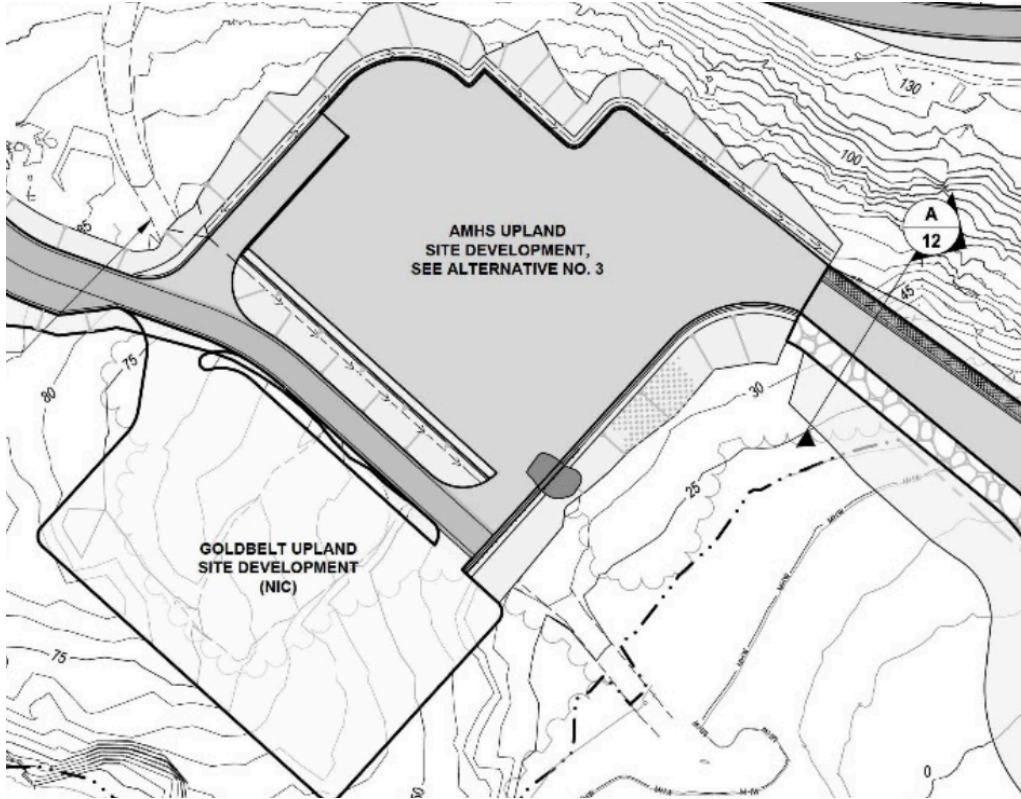


Figure 2. The upland development site map as presented by DOT in the Alaska Marine Highway Operations Board meeting from March 5, 2024. Note that the dark grey shapefile bisected by the proposed site development is an identified cultural site.

2. State vs. Federal Cultural Heritage Requirements

Alaska’s State Historic Preservation Office (SHPO) requirements mirror portions of NHPA Section 106 but do not substitute for it. SHPO review applies to projects with state involvement or funding, while Section 106 triggers with any federal permit, license, or funding participation. Most large infrastructure projects, including the Cascade Point access route, would fall under NHPA Section 106 once a federal permit (such as a Clean Water Act Section 404) is involved. Attached is a table describing the perfunctory differences.

3. Section 404 Permit Requirement

A Section 404 permit will be needed for the project. Attached is written correspondence from the U.S. Army Corps of Engineers confirming this. This determination is based on the discharge of fill material into waters and wetlands adjacent to Cascade Creek.

4. Bridge Identification

In our testimony *Bessie Creek* bridge was mentioned erroneously as the bridge that will be replaced as part of Stage 1. We’d like to correct the record: the bridge identified in Stage 1 is the *Cascade Creek*

Bridge, which spans Cascade Creek, an anadromous stream that flows into WOTUS near the proposed access corridor. This bridge currently exists as footings with a roadbed of rutted out railroad ties that are in such bad repair large boulders have been placed to prevent vehicular traffic across. This bridge is accessible via the foot path at the end of the chip sealed section of Glacier Highway.

Bessie Creek is not a bridge, but a culvert at the pinch point in the road just past the Adlersheim Lodge where the newer, wider lanes and shoulders from previous JAI efforts end, giving way to older road substrates riddled with pot holes that were not designed for robust traffic volumes. The 2023 Bridge Inventory also identifies the Eagle River (Bridge #0735) and Herbert River Bridges (Bridge # 0736) are in need of updating, especially given that the entering lane approaches are wider than the bridge roadbeds, which pose increased risk of head-on collisions and would need widening if more traffic were to use this route. Another bridge in this corridor not designed for heavy traffic or industrial mining trucks is Cowee Creek (Bridge #1220).

5. Operational Plans: Summer vs. Year Round

DOT&PF's stated long-term intent is for Cascade Point to operate year-round but that capability is contingent upon the construction of a wave barrier that does not yet exist and is not funded in the current project scope. In early scoping documents PND engineering identified that the complex wave environment of this particular spot in Berners Bay would require a wave barrier for year-round moorage and operations. Early DOT materials (up to Fall 2025) signaled that operations would take place only from April through September.

The change in plans prompted a letter to the editor by Shorty Tonsgard in the Juneau Empire noting the wave conditions, saying *"I can tell you it gets extremely windy and rough in all these places... The North wind does not blow by Point St. Mary's, it hooks around, and there is a big swell that beats on the beach at Cascade Point! Yes, there are calm days... but when it's blowing, the place takes a beating and it's not once a year, it's quite often, especially in fall and winter."*¹

Now the Wave Analysis document is missing from the DOT revamped Cascade Pt. website; this document got into the specifics surrounding the infrastructure needed for winter operations and discussed the nature of the wave environment in that area during the most inclement weather. Their FAQs section addresses the topic briefly:

*"Once the wave barrier is constructed, the Cascade Point terminal will be capable of operating year-round and could serve as a home port. AMHS may still choose to operate some winter sailings from Auke Bay depending on conditions, but the long-term intent is for Cascade Point to be the primary location for the Haines–Skagway route while retaining operational flexibility."*²

6. Federal Funding Risk Clarification

At least three concrete mechanisms put federal funding for Cascade Point at risk.

1. STIP Eligibility Rejection: The U.S. DOT explicitly rejected Cascade Point's inclusion in Alaska's 2024–27 State Transportation Improvement Program (STIP), due to administrative

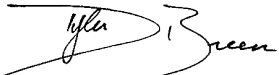
failures to meet eligibility requirements. With regard to Cascade Point, the US DOT detailed the project as ineligible because there is "no ferry facility here / not part of any transportation network." Until a physical facility is operational and the road is part of the National Highway System, federal highway funding eligibility remains unresolved.³

2. State Match Instability: Federal transportation programs require Alaska to provide a state match to unlock the larger federal share. The Legislature attempted to divert \$37 million directly from the Cascade Point terminal account to cover match obligations for other federal grants. Governor Dunleavy vetoed that transfer before DOT signed a \$28.5 million construction contract. This cycle establishes that Cascade Point's budget is simultaneously a target for diversion and dependent on stable appropriations to remain intact.⁴
3. Toll Credit Eligibility Under Federal Review: The U.S. DOT's STIP rejection letter also flagged Alaska's use of AMHS passenger fare revenues as "toll credits" toward state match requirements, noting those credits "are being reviewed for approval." If disqualified, any project relying on toll credits to close its match gap would face an immediate funding shortfall with no identified replacement source.⁵
4. Alaska has direct and recent precedent for federal repayment obligations on failed ferry projects. The Matanuska-Susitna Borough received \$12.3 million in federal transit grants between 2002 and 2008 to support the M/V Susitna, a commuter ferry that never operated or carried passengers; the Federal Transit Administration ultimately demanded repayment after finding the borough had failed to make "adequate progress on the project" and "reasonable and appropriate use of the property for public transportation."⁶ In January 2026, the borough finalized a \$5.76 million repayment plan to the federal government, to be paid in installments through 2029.⁷ This precedent is directly relevant to Cascade Point: if any federal funds are obligated toward this project and the terminal fails to achieve operational viability as a public transportation facility, Alaska could face a similar federal demand for repayment of those funds.

Please let us know if the committee would like additional documentation or if a short clarification memo would be helpful for the record.


Best regards,

Tyler Breen



Policy Analyst
Southeast Alaska Conservation Council

Stacy Unzicker



Mining Campaigner
Southeast Alaska Conservation Council

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1. 2023 Bridge & Tunnel Inventory Report, 2023. https://dot.alaska.gov/stwddes/desbridge/assets/pdf/2023_Bridge_Inventory.pdf.
 2. Alaska Department of Transportation & Public Facilities. "Project Details, Cascade Point Ferry Terminal, Southcoast Region." Alaska Department of Transportation & Public Facilities. Accessed February 18, 2026. [Project Details, Cascade Point Ferry Terminal, Southcoast Region Project](#).
 3. Tonsgard, William, Jr. "My Turn: The Case Against Cascade Point Ferry Terminal." Juneau Empire, November 11, 2025. <https://www.juneauempire.com/opinion/my-turn-the-case-against-cascade-point-ferry-terminal/>
 4. Riley, James. "Statewide Transportation Projects at Risk as Federal Government Rejects 2024–27 Improvement Plan." Juneau Empire, February 14, 2024.

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5. Locke, Sam. "State Senators Express Skepticism Over Cascade Point Ferry Terminal." Juneau Independent, December 9, 2025.
<https://www.juneauindependent.com/post/state-senators-express-skepticism-cascade-point-ferry-terminal>
 6. Riley, James. "Statewide Transportation Projects at Risk as Federal Government Rejects 2024–27 Improvement Plan." Juneau Empire, February 14, 2024.
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 7. "Mat-Su Borough Must Repay Millions in Knik Arm Ferry Grants After Feds Reject Appeal." Alaska Public Media, December 22, 2025.
<https://alaskapublic.org/news/anchorage/2025-12-22/mat-su-borough-must-repay-millions-in-knik-arm-ferry-grants-after-feds-reject-appeal/>
 8. "Mat-Su, Feds Reach \$5.8 Million Repayment Deal for Failed Knik Arm Ferry Project." Mat-Su Sentinel, January 22, 2026.
<https://www.matsusentinel.com/mat-su-feds-reach-5-8-million-repayment-deal-for-failed-knik-arm-ferry-project/>