

# Senate Transportation Committee

## Department of Transportation & Public Facilities Alaska Marine Highway System Updates

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March 19, 2026



KEEP ALASKA MOVING

# AMHS Four Focus Areas



Provide **safe** and **reliable** service for our communities



Build and support a reliable workforce



**Modernize** fleet, terminals assets and management system to promote **resiliency** and standardization



Promote financial efficiency and sustainability

# Provide a Service that is Safe, Reliable, and Connects Our Communities



1

Invest to establish a service that is **SAFE AND RELIABLE**

2

Promote **TRANSPARENCY** and increase **ACCESS TO INFORMATION**

3

Track safety and reliability key performance indicators

4

Provide service that prioritizes community needs and **CONNECTIONS**

5

Improve **CUSTOMER EXPERIENCE** from booking to completion of voyage

# Safety No Harm Goal



## NO HARM TO PEOPLE, ENVIRONMENT or EQUIPMENT 2025 Results

- **People** – Nine lost-time incidents for 2025
- **Environment**
  - No vessel or terminal spills to the water for 2026
  - Four customer vehicle spills to terminal parking area. All contained and cleaned up immediately by terminal staff
  - One spill from the Ketchikan Maintenance Warehouse. A drum loaded with diesel leaked from a bottom seam. Estimated one-gallon went down a storm drain. Storm drain was boomed off and absorbent pads used to clean up the sheen. Drums are now stored within secondary containment
- **Equipment** – One allision with the Motor Vessel (MV) Lituya hitting the rock bluff in Annette Bay



# Reliability



## 2025 Operational Uptime of 98.55%

- 34,733 operating hours / 504 out-of-service hours
- 100% uptime for the months of March, May, June, July, and November
- Includes 111 hours out of service for the MV LeConte water in fuel event



# Improve Customer Service: From Booking to Completion of Voyage



- Improved booking and reservation system to mitigate passenger impacts of new regulatory requirements
- Starting a culinary training program for cooks and servers
- New handheld ticket scanners systems on vessels to meet passenger, vehicle, and cargo manifest requirements
- New vessel scheduling system to improve schedule accuracy and reliability
- Passenger Wi-Fi across the fleet
- Installing comprehensive shoreside networks to support ticket scanning and improve reliability customer facing systems
- Adding redundant networks at all terminals to reduce interruptions and downtime for customers
- In development: mobile phone boarding pass capability



*Haines Terminal*

# "AMOS" Vessel Management System — Preventative Maintenance Module



AMOS - AMHS OFFICE/OFFICE - [Dashboard]

File Edit Options Maintenance Stock Purchase Financial Assessment Tools Window Help

Compon... Stock It... Job Descr Functions Rounds Comp H... Func Hie... Generate... WO Details Planning Req Work Forms Addresses Attachm... Reports Launcher Switch D... Help

Refresh

Main Dashboard Welcome Blasingame, Kris, 1/30/2026 No Search

Dashboard

### Alerts Overview

16 - MV HUBBARD - MAINTENANCE

Current Stock less than Minimum Qty	0
HUBBARD DECK- SMR Designated W/O's	8
HUBBARD - ENGINE Maint Due this Week	33
HUBBARD - DECK Maint Due this Week	19
HUBBARD - ENGINE Maint Due Next Month	85
HUBBARD - DECK Maint Due Next Month	34
HUBBARD - ALL CRITICAL EQUIPMENT	30
HUBBARD - ALL CRITICAL SPARES	116
HUBBARD ENG- SMR Designated W/O's	0
HUBBARD - Active Unexpected W/O's	0

17 - MV LITUYA - MAINTENANCE

Current Stock less than Minimum Qty	0
LITUYA DECK- SMR Designated W/O's	0

### Notifications

Module	Number
Purchase	0
Maintenance	0

Maintenance  
Stock  
Purchase  
Tools

Ready



# Update Our Fleet and Terminal Assets to Promote Resiliency and Standardization



1

**MODERNIZE** the fleet through new-builds and renovations

2

Promote System **EFFICIENCY** through planning and management systems

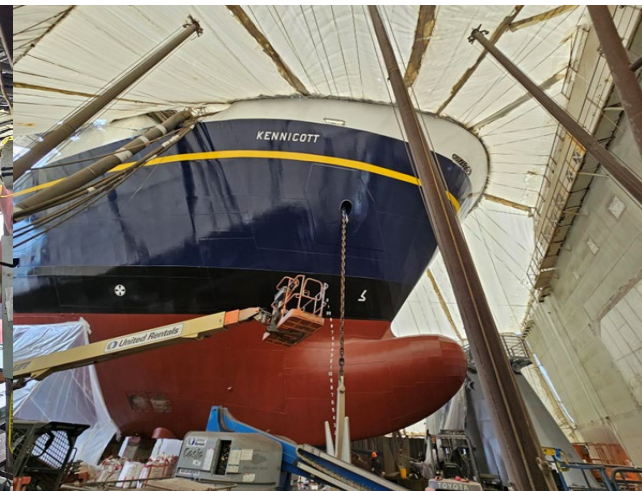
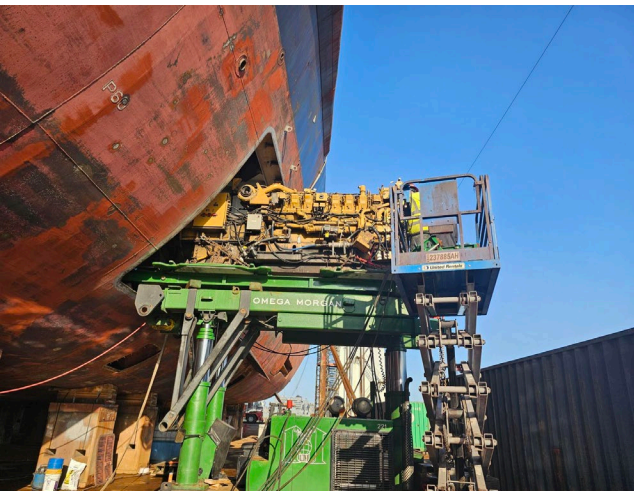
3

**STANDARDIZE** fleet and terminal assets to increase uniformity and consistency

# MV Kennicott Generator Repower & Refurbishment



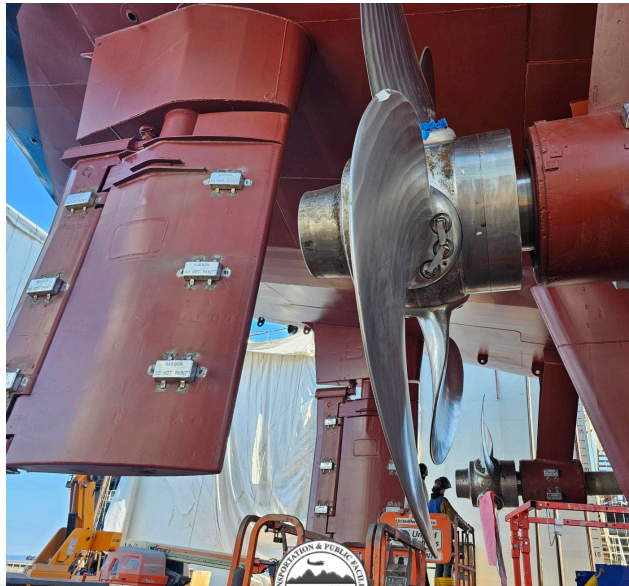
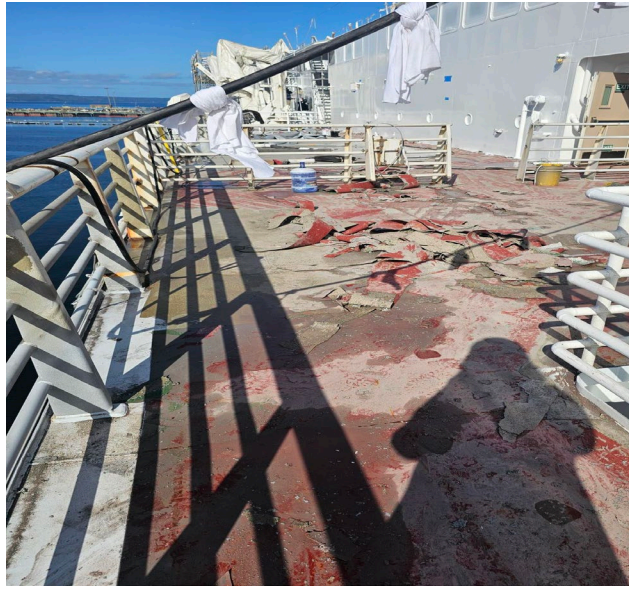
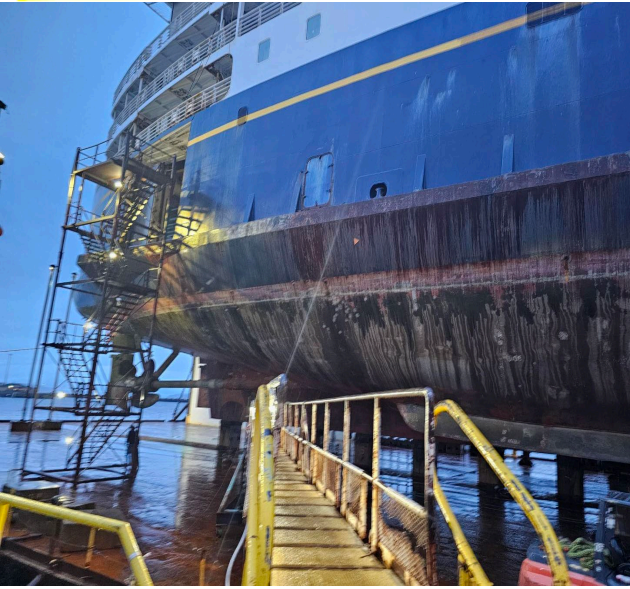
- Replaced CAT 3516 Tier 0 generators with new CAT 3512 Tier 3 generators
- Removed both original Waste Heat Boilers (WHB) and replaced with two new WHBs
- Rebuilt port and starboard Wartsila main engine
- Complete blasting painting of the ship from keel to top
- Replaced vehicle deck in the area of the vehicle elevator, and installed over 1,000 lineal feet of corroded deck railing
- Upgraded automation system – upgrades operating control system primarily for operation of new generators
- Installed WiFi; 80% complete and will complete the installation this next fall



March 19, 2026



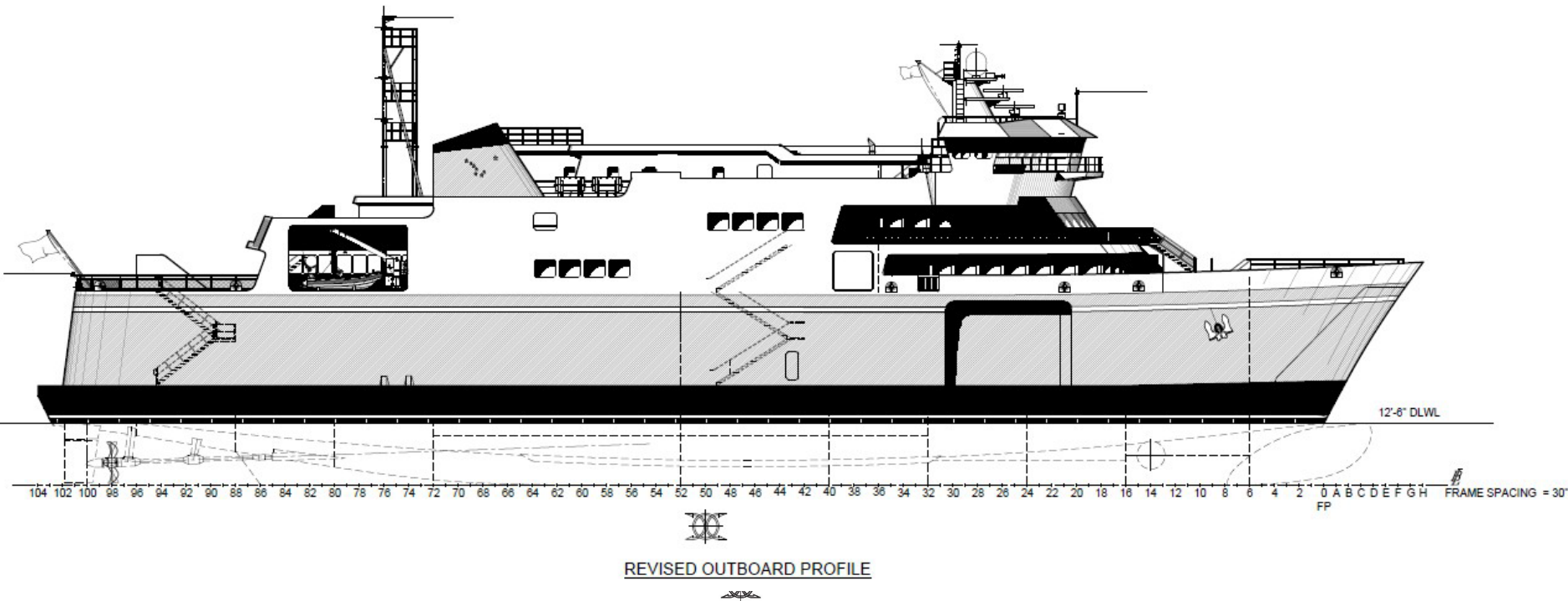
# MV Kennicott Generator Repower & Refurbishment



# MV Tazlina Crew Quarters



- Request For Proposal (RFP) April 2026
- Estimated June 2026 Shipyard Award
- Project Cost - \$43M Federal Transit Authority (FTA) Funded



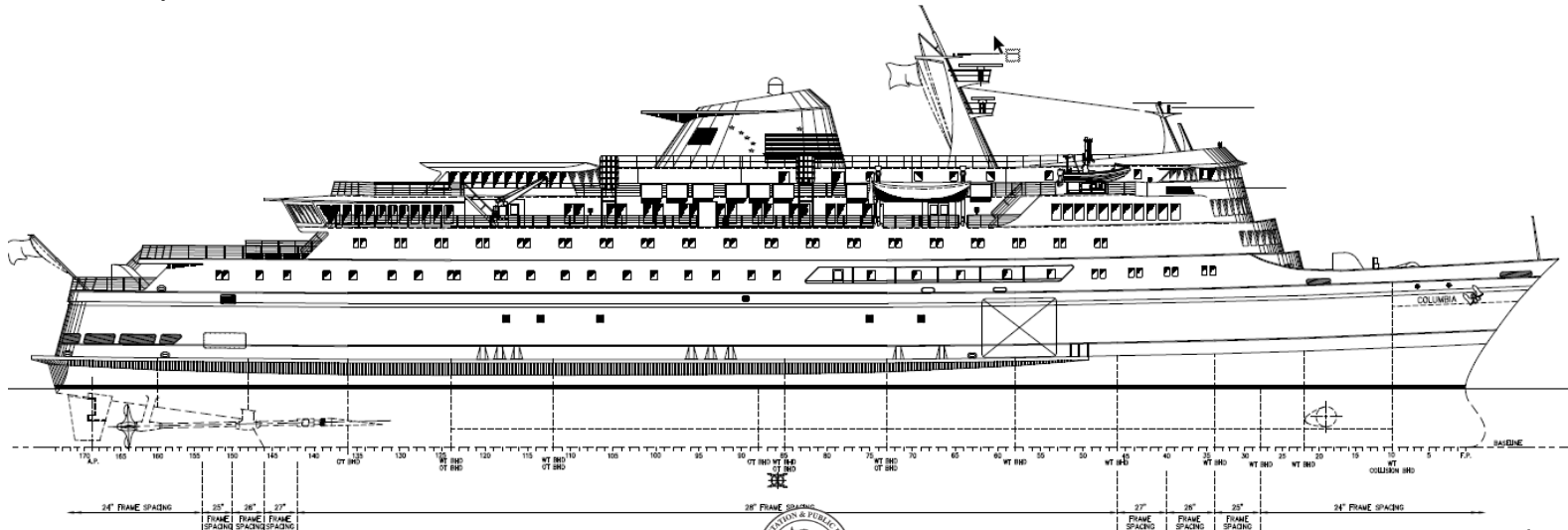
# MV Columbia Project Upgrades



## MODERNIZATION PROJECTS

### M/V Columbia Scope of Work:

- Replace obsolete firefighting systems
- Modernize passenger accommodations
- Repair leaking windows and wasted steel
- Install a new UVT (Ultraviolet Transmittance) fan-shutdown system
- Remove and replace boat deck boulevard deck coverings
- Asbestos abatement
- Install new steering motor controllers
- Install new capstan motor controllers
- Replace wasted steel around vehicle loading doors
- Rebuild both tail shafts and main engine to RG (Reverse Gifford grappels) high-speed shaft rebuild
- Blast and paint the entire vessel
- Upgrade the vessel's electrical power systems and install modern infrastructure
- Improve passenger accessibility for Americans with Disabilities Act (ADA) compliance
- Conduct wasted pipe repairs
- Rebuild the Marine Sanitation Device



# Tustumena Replacement Vessel (TRV) Invitation to Bid Released

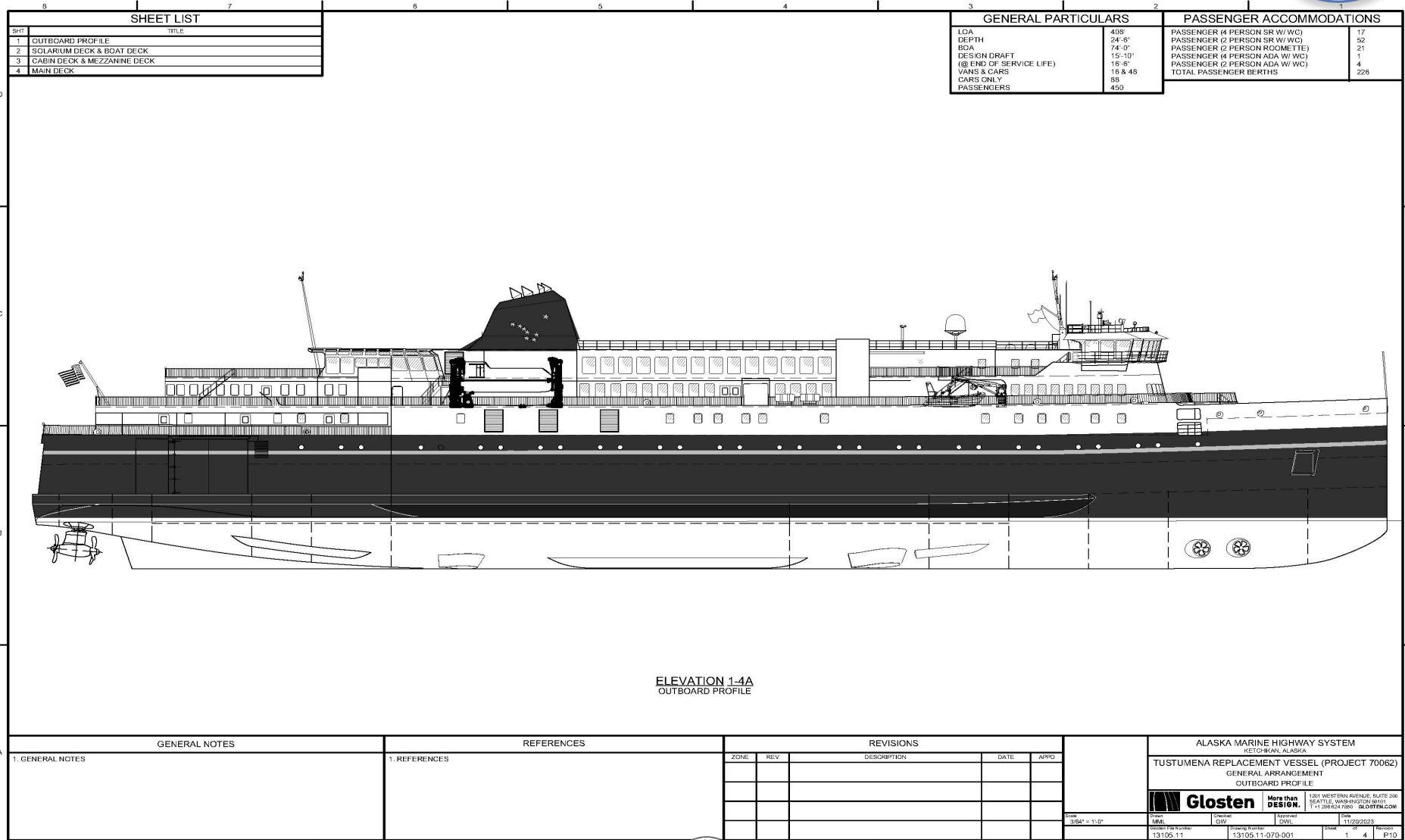


# Diesel Electric Hybrid Shuttle Ferry



- AMHS was awarded a Grant of \$46M in 2023, for the construction of a small electric ferry
- Design contract awarded to Glosten Marine
- Southeast Conference working the shoreside electric power requirements
- Work between Ketchikan and Annette Bay, and seasonally Haines and Skagway
- Schedule:
  - Anticipated completion of design; fourth quarter 2026

# Mainliner Replacement Vessel (MRV) Design



# 2045 Fleet Configuration



The 2045 fleet is a mix of two existing vessels and six new builds to create a standardized, reliable, and efficient system.



## High-Efficiency Ferry I

Shuttle



## TRV

Tustumena Replacement Vessel



## Hubbard

Dayboat



## High-Efficiency Ferry II

Shuttle



## MRV I

Mainliner Replacement Vessel



## Tazlina

Dayboat



## MRV II

Mainliner Replacement Vessel

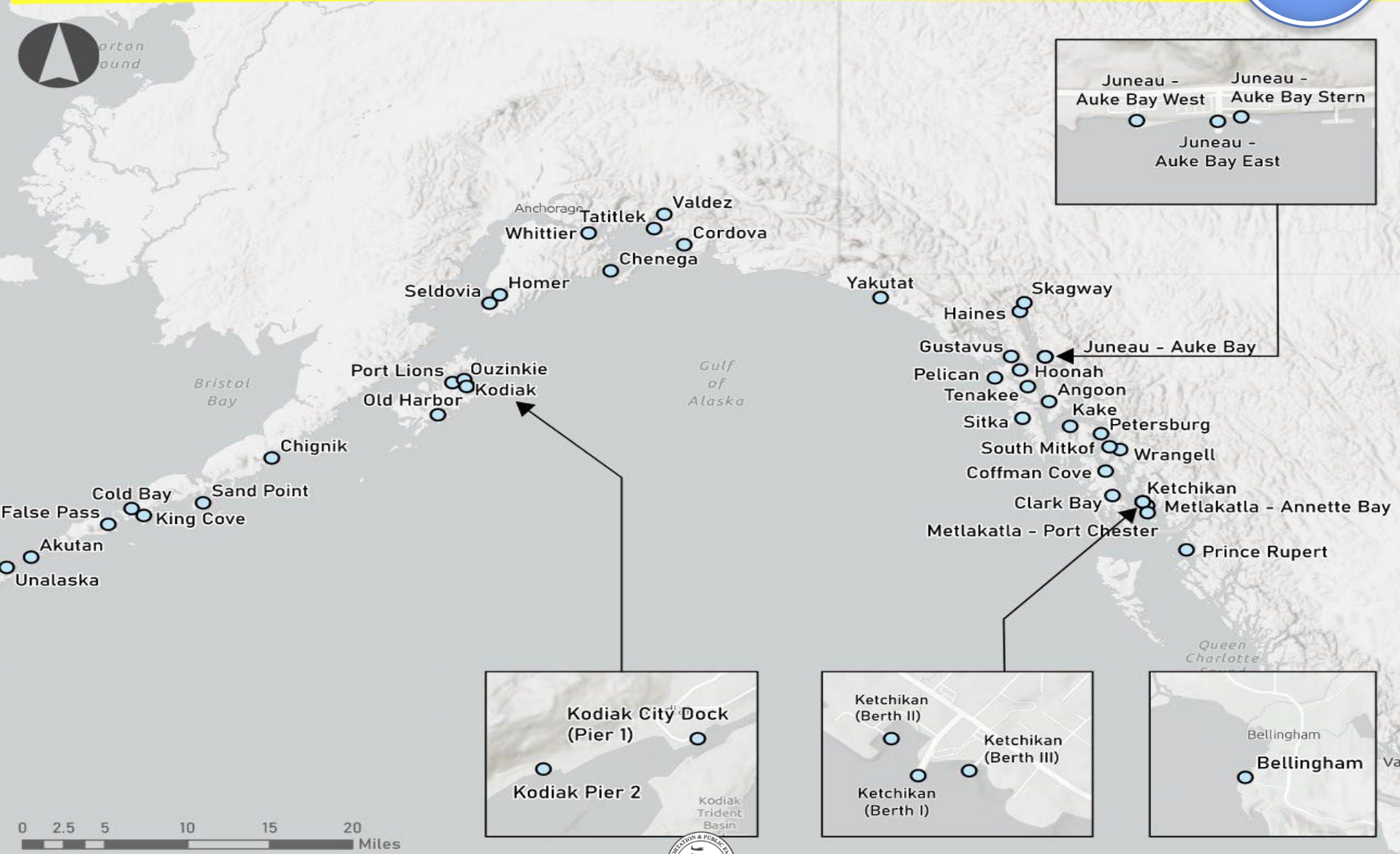


## DB

Dayboat Replacement Vessel

*NOTE: Vessel silhouettes are representations only, new vessels may be different.*

# Marine Highway Ferry Terminals



# Continue to Build and Support a Reliable Workforce



1

Invest in the **GROWTH AND DEVELOPMENT** of Alaska's maritime workforce

2

Develop Hawsepipeline Program with financially supported training for crews progressing up the career pathways

3

Explore **RETENTION** strategies to support current employees

4

Promote support for in-state travel

5

Support increased recruitment efforts

6

Improve **INTERNAL ORGANIZATION** structures to support hiring, staffing, and data collection

# Hawsepipeline Program – Career Pathways



## AMHS DECK PATHWAYS



### Ordinary Seaman

assist in deck operations, gain maritime experience, and support safe navigation of vessels.

Entry Level

540 Sea Days

### Able Bodied Seaman

assist in various deck operations, contribute to the safe navigation of vessels, and gain valuable maritime experience.

540 Sea Days

### Bos'n

Assist deck operations, mentor seamen, and ensure the safe and efficient handling of cargo and equipment.

1080 Sea Days

### Third Mate

assist in navigation, oversee safety protocols, and contribute to the efficient operation of vessels.

360 Sea Days

### Second Mate

oversee navigation, supervise crew members, and ensure the safe and efficient operation of vessels.

360 Sea Days

### Chief Mate

manage deck operations, supervise navigation, and ensure the safety and efficiency of vessel operations.

360 Sea Days

### Master

lead your team in vessel operations, ensuring safety and compliance while overseeing all aspects of operations.

## AMHS ENGINE PATHWAYS



### Wiper

Assist with vessel operations and maintenance, and assisting with the deck department.

Entry Level

180 Sea Days

### Oiler

Fuel the journey with AMHS as an oiler, maintaining vessel machinery for safe travels.

180 Sea Days

### Junior Engineer

gain hands-on experience in maintaining and operating vessel machinery.

180 Sea Days

### 3rd Assistant Engineer

Advance your career in marine engineering, overseeing vessel machinery and ensuring safe operations.

360 Sea Days

### 2nd Assistant Engineer

Lead maintenance efforts, mentor Jr. Engineers and ensure the smooth operation of vessel machinery.

1080 Sea Days

### 1st Assistant Engineer

play a key role in managing vessel machinery, leading engineering operations, and ensuring safety and efficiency.

### Chief Engineer

oversee all engineering operations, lead a team of engineers, and ensure the safe and efficient operation of vessels.

1080 Sea Days

# New Investments in Workforce



## **DOT/AMHS – University of Alaska Fairbanks Maritime Workforce Partnership (\$750K)**

- Focus on Alaskans
- Reached **500+ students statewide**
- **40+ students credentialed to date**
- Created direct pathways into **Alaska’s maritime workforce**

## **AMHS Able Bodied Seaman (AB) → 3<sup>rd</sup> Mate AND Oiler to 3<sup>rd</sup> Assistant Engineer**

- Estimated investment: ~\$60,000 per participant
  - 504(e) funds cover tuition and travel
- Expected annual participants: ~eight
- Strict eligibility: Three+ years service, 1,080 sea days, strong evaluations, requires obtaining license within six months, and a five-year commitment

## **Maritime Institute of Technology and Graduate Studies (MITAGS) 3<sup>rd</sup> Mate Maritime Apprenticeship Program**

- Four scholarships through \$45,000 per participant

## **Pilotage Incentive Program**

- New **International Organization of Masters, Mates & Pilots (MM&P)** Collective Bargaining Agreement Clause supports mates riding for pilotage on their time off

# Crewing Status



## 2025 New Hires and Separated Employees

Union Departments	New Hire Employees	Separated Employees
MM&P	10	9
MEBA*	3	5
IBU** Engine	2	2
IBU Deck	3	8
IBU Stewards	46	43

- Improved retention in 2025
- AMHS AB → 3<sup>rd</sup> Mate AND Oiler to 3<sup>rd</sup> Assistant Engineer
  - 1 IBU Engine moved up to MEBA, 3<sup>rd</sup> Assistant Engineer
  - 2 IBU Deck moved up to MM&P, 3<sup>rd</sup> Mate

\*MEBA = Marine Engineers' Beneficial Association

\*\*IBU = Inlandboatmen's Union



# February 2026 Crewing Operations



AMHS Crewing			
Crew Status:			
Position	Currently Employed	Total Needed	Current Status
Master	16	21	(5)
Pilot	1	6	(5)
Chief Mate	13	20	(7)
2nd Mate	8	20	(12)
3rd Mate	36	12	24
<b>TOTAL MM&amp;P</b>	<b>74</b>	<b>79</b>	<b>5</b>
Chief Engineer	20	20	0
1st Engineer	13	20	(7)
2nd Engineer	17	20	(3)
3rd Engineer	15	20	(5)
<b>TOTAL MEBA</b>	<b>65</b>	<b>80</b>	<b>15</b>
Bosun	16	16	0
Able Bodied Seaman	54	52	2
Ordinary Seaman	28	28	(6)
OSP	14	14	(5)
WM	12	18	(6)
Jr. Engineer	8	15	(7)
Oiler	30	29	1
Wiper	5	5	0
<b>TOTAL IBU</b>	<b>167</b>	<b>177</b>	<b>21</b>
Stewards	212		



# Promote Financial Efficiency and Sustainability



1

Develop **FUNDING AND REVENUE GENERATION** strategies to promote system sustainability

2

Promote responsible **MANAGEMENT** of system finances and resources

3

Make strategic **FINANCIAL INVESTMENTS** to promote operational excellence

4

Track and report **FINANCIAL KEY** performance indicators such as farebox recovery

# LRP Benefits to Financial Efficiency



The LRP (Long-Range Plan) balances the needs of the community, increased service, and system reliability with more efficient operating costs through a modernized fleet, providing more service over time with higher farebox recovery through investments in capital infrastructure.



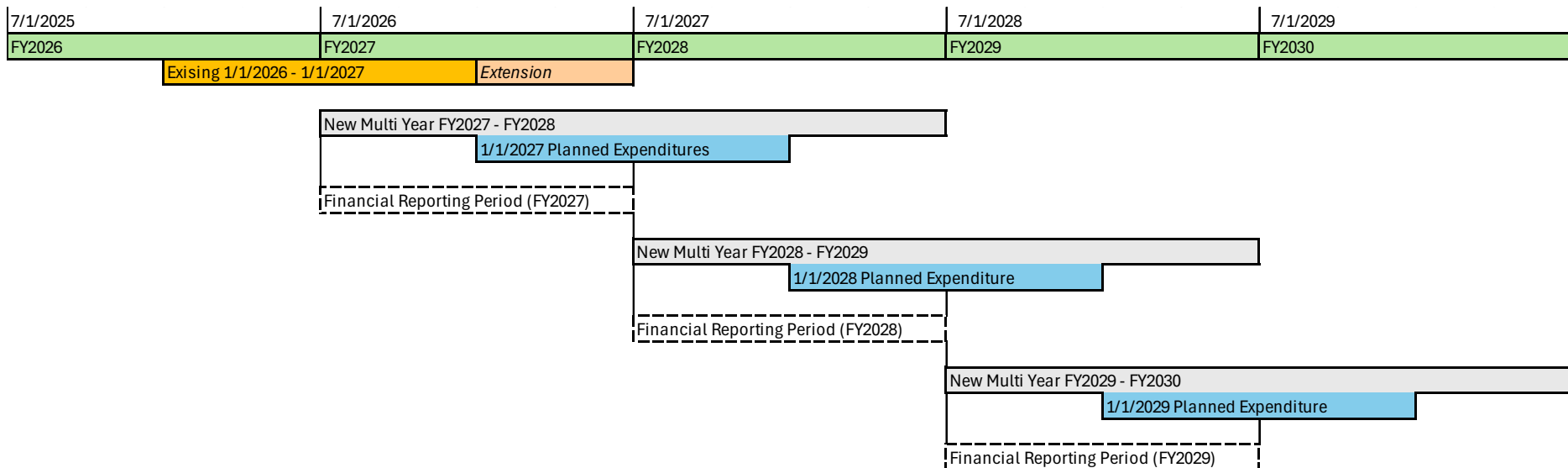
# FY2027: Alaska Marine Highway

Leg. Finance Subcomm. Book Item #9

Fund Type	FY2026 Management Plan	FY2027 Governor
UGF	\$ 71,098.3	\$ 66,366.9
DGF	\$ 20,754.3	\$ 20,754.3
Fed	\$ 82,921.2	\$ 83,299.6
Other	\$ 1,006.3	\$ 1,042.2
<b>Grand Total</b>	<b>\$ 175,780.1</b>	<b>\$ 171,463.0</b>

## Multi-year Waterfall Model

- Single closeout period and reporting on Fiscal Year, currently closing out twice per year
- Flexible carry-forward (surplus) or roll-forward (shortfall), with immediate accountability to legislature
- Continues calendar year model and requests for annual funding
- Supported by Alaska Marine Highway Operations Board
- Helps bridge current year funding challenges



# AMHS Operating Budget

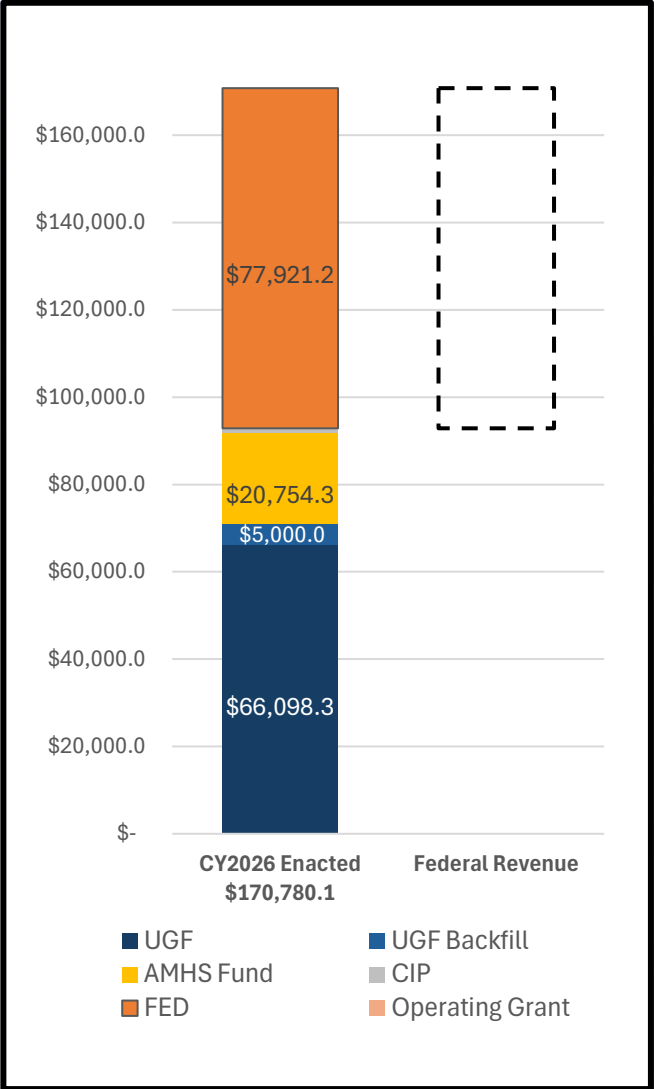
Current Year CY2026 (\$ in thousands)

**CY2026 Operating Budget:  
\$170,780.1**

**CY2026 Federal Revenue Required:  
\$77,921.0**

**Federal Revenue is 45.6% of  
Total Operating Budget**

**UGF from the Operating Budget  
is used to match federal funds**



# AMHS FY2026 Operating Bridge Plan

In-Person Meeting with Federal Transit Administration – February 26, 2026

Section 71103 of the Infrastructure Investment and Jobs Act (IIJA) allocated \$1 billion over five years to the Ferry Service for Rural Communities Program, providing \$200 million annually for competitive grants meeting the programs criteria defined in IIJA.

**An estimated \$410M is still available to be granted: NOFO in March, Award in August or September**

## Current FY2026 Position

- Total FY2026 Budget: **\$170.8M**
- State & Other Funds Available: **\$92.9M**
- Federal Shortfall: **\$77.9M**
- Projected Exhaustion: **Early July 2026**
- Operating Burn Rate:
  - Winter: **\$13.8M/month**
  - Summer: **\$14.9M/month**

## Timing Sensitivity

### August Award (Preferred)

- One month exposure (~\$14.9M)
- Within \$19M displacement limit
- No capital reallocation required

### September Award

- Two months exposure (~\$29.8M)
- Exceeds \$19M limit
- Federal Highway Administration Ferry Boat funds likely required

## Immediate Cost Reductions

- Dispose of M/V Malaspina (~\$800k/month)
- Move M/V Tazlina to capital (~\$350k/month)
- Combined savings: ~\$1.15M/month

## FY2027 Bridge Authority

- Governor's FY2027 State & Other Funds: **\$88.2M**
- MOE Floor: **\$69.7M**
- Maximum FY2027 Displacement: **\$19M**
  - \$19M FED (1002), FY2026 >> FY2027
  - \$19M AMHS (1076), FY2026 << FY2027

## Federal Request

- March application for **\$161.2M (FFY25 + FFY26)**

Execution of the FY2026 bridge requires enactment of HB 289 § 12 (appropriation extension) and HB 263 § 20 (FY2027 multi-year appropriation)

# Thank You.

Craig Tornga, Marine Director

Dom Pannone, Director, Program Management & Administration



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