

Senate Finance Committee

Department of Transportation & Public Facilities

Ryan Anderson, P.E., Commissioner

Katherine Keith, Deputy Commissioner

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Program Management & Administration

Rural Ferry Program Overview

February 2, 2026



KEEP ALASKA MOVING

Authorization

Infrastructure Investment and Jobs Act (IIJA) - November 15, 2021

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.

“(2) ELIGIBLE SERVICE.—The term “eligible service” means a ferry service that—(A) operated a regular schedule at any time during the 5-year period ending on March 1, 2020; and (B) served not less than 2 rural areas located more than 50 sailing miles apart.”

The precise amount available for program awards annually under Section 71103 of the IIJA is \$195,980,000 annually after set asides.

The program also received five years of advance appropriations, meaning it was created and fully funded in the same bill.

Past Timelines: 2022 Awards

Awards focused on modernizing vessels, replacing the Tustumena, dock infrastructure, and operating costs.

Grant Award Year	Project Description	Federal Amount
2022	The Alaska Department of Transportation & Public Facilities will receive funding to build a new ferry to replace a nearly 60-year-old vessel. The new vessel, which will feature a diesel-electric propulsion system, will serve rural southwest Alaska.	\$68,488,384
2022	The Alaska Department of Transportation & Public Facilities will receive funding to plan for the replacement of aging ferry vessels with diesel-electric hybrid vessels and develop the functional design of a new vessel.	\$8,591,616
2022	The Alaska Department of Transportation & Public Facilities will receive funding for the operation of the Alaska Marine Highway System, which runs 3,500 miles and serves 35 communities that face low transportation access and high transportation costs. The funding will strengthen the ferry system and help improve the quality and reliability of ferry service.	\$44,823,800
2022	The Alaska Department of Transportation & Public Facilities will receive funding to modernize four Alaska Marine Highway System (AMHS) vessels, ensuring reliable service, improving state of good repair, and continuing quality transit services. AMHS provides year-round, scheduled ferry service throughout Southeast and Southwest Alaska, extending south to Prince Rupert, British Columbia and Bellingham, Washington.	\$72,065,545
2022	The Alaska Department of Transportation & Public Facilities will receive funding to upgrade the dock infrastructure in five rural Alaskan communities. The upgrades will allow ferries to continue service to three small, disadvantaged, rural communities and two rural hub communities, including replacing 40-year-old infrastructure at the Auke Bay Ferry Terminal. The upgrades will also allow the facilities to accommodate additional ferries, allowing for expanded and uninterrupted service.	\$45,483,214
	Total 2022 Awards to Alaska:	\$239,452,559

Total Rural Ferry Program awards in 2022 nationwide: **\$252,417,559**

Past Timelines: 2023 Awards

Awards focused on replacing the Tustumena and operating costs.

Grant Award Year	Project Description	Federal Amount
2023	The Alaska Department of Transportation & Public Facilities will receive funding to improve operations on the Alaska Marine Highway System, which runs 3,500 miles and serves more than 30 communities with limited transportation options and high costs. The funding will improve the condition and quality of passenger ferry service -- including vessels and workforce -- as well as add service to remote communities.	\$38,511,041
2023	The Alaska Department of Transportation & Public Facilities will receive funding to build a new ferry to replace a nearly 60-year-old vessel. The new vessel, which will feature a diesel-electric propulsion system, will serve rural southwest Alaska.	\$92,786,400
	Total 2023 awards to Alaska:	\$131,297,441

Total Rural Ferry Program awards in 2023 nationwide: **\$170,047,441**

Past Timelines: 2024 Awards

Awards focused on enhancing Wi-Fi connectivity on vessels and in terminals, replacing the Tustumena, and operating costs.

Grant Award Year	Project Description	Federal Amount
2024	The Alaska Department of Transportation & Public Facilities will receive funding to install system-wide wireless connectivity to its ferry vessels to allow access to the internet between ports. The project will enhance the travel experience for customers and improve operational efficiency for the entire ferry system.	\$5,000,000
2024	The Alaska Department of Transportation & Public Facilities will receive funding to build a new ferry to replace a 60-year-old vessel. The new ferry, which will feature a diesel-electric propulsion system, will serve rural southwest Alaska.	\$106,418,096
2024	The Alaska Department of Transportation & Public Facilities will receive funding to improve operations on the Alaska Marine Highway System, which runs 3,500 miles and serves more than 30 communities with limited transportation options. The federal support will add service to remote communities and improve the condition and quality of passenger ferry service.	\$66,050,400
	Total 2024 Awards to Alaska:	\$177,468,496

Total Rural Ferry Program awards in 2024 nationwide: **\$194,036,496**

Successes and Benefits to Alaska

Grant Awards to Date: \$548M

Type of Award	Totals	# of Awards
Operating Funds	\$149,385,241	3
Capital Funds	\$398,833,255	7

Total Rural Ferry Program awards to date nationwide: \$616,501,496*

*Includes IIJA and funding from The Consolidated Appropriations Act of 2024

Notable Projects:

Tustumena Replacement Vessel Construction
Tazlina Crew Quarters Construction
Mainliner Replacement Vessel Design
Auke Bay Ferry Terminal East Berth Mooring Rehabilitation
Angoon Ferry Terminal Rehabilitation
Kake Ferry Terminal Rehabilitation
Pelican Ferry Terminal Reconstruction

This program also prompted the creation of the Alaska Toll Credit Program, saving the State over \$66M in match funds to date.

Operating Budget

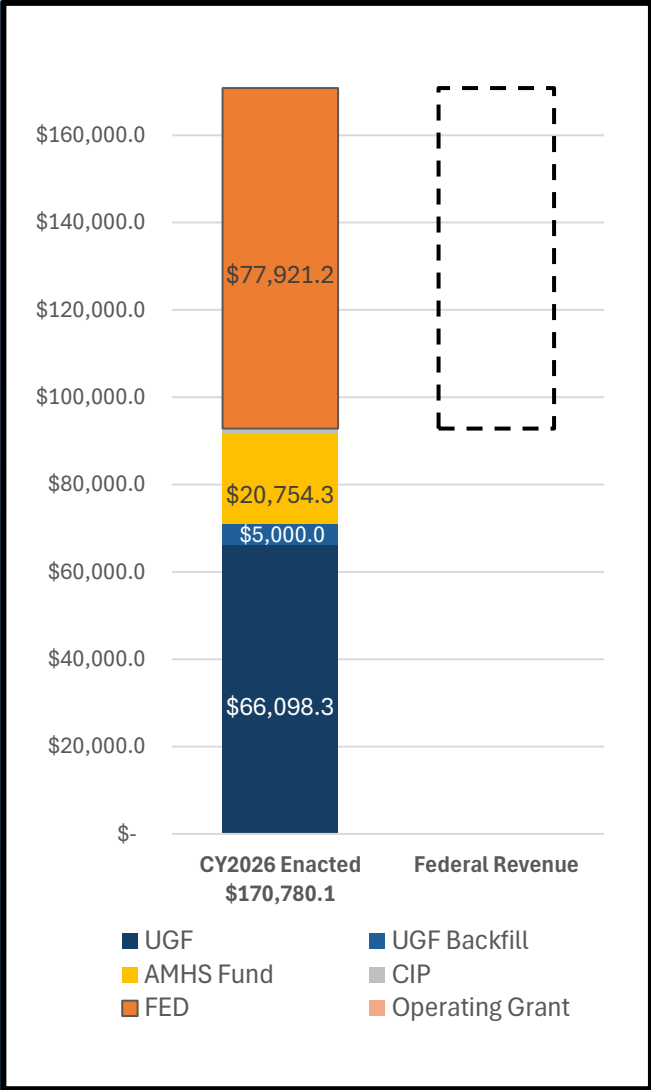
Current Year CY2026 (\$ in thousands)

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**



Past Timelines and Communication

Notice of Funding Opportunity (NOFO)

An estimated \$410M are still available to be granted

FY2022

NOFO: Federal Register Notice published July 11, 2022 (87 FR 41168)

Award Announcement: FTA Press Release Jan. 26, 2023

Duration: 199 days

FY2023

NOFO: Federal Register Notice published May 18, 2023 (88 FR 31845)

Award Announcement: FTA Press Release Nov. 30, 2023

Duration: 196 days

FY2024

NOFO: Federal Register Notice published Apr. 17, 2024 (89 FR 23632)

Award Announcement: FTA/DOT Press Release Sept. 16, 2024

Duration: 152 days

Thank You.

Commissioner Ryan Anderson, P.E.

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Cover photos by Alaska DOT&PF Staff:
Sunset departure, Anchorage International Airport. By Christopher Cummins
Alaska Range from the Richardson Highway. By Dennis Bishop
Aboard the MV LeConte sailing Lynn Canal to Juneau from Haines. By Andrea Deppner