

Alaska Marine Highway Operations Board

October 29, 2025

Rep. Bryce Edgmon
Speaker of the House
Alaska State Legislature
1500 W Benson Blvd
Anchorage, AK 99503

Senator Gary Stevens
Senate President
Alaska State Legislature
305 Center Ave Ste 1
Kodiak, AK 99615

Mike Dunleavy
Governor
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Subject: Findings of the Alaska Marine Highway Operations Board

Dear Speaker Edgmon, Senate President Stevens, and Governor Dunleavy:

The Alaska Marine Highway Operations Board (AMHOB or Board) met on Friday, October 24, 2025, via Zoom. The primary purpose of this meeting was to receive an update from Alaska Marine Highway System (AMHS) management on ferry operations and progress toward the strategic objectives outlined in the *2045 Long-Range Plan (LRP)*. Additionally, the Board discussed the economic analysis of the proposed Cascade Point Terminal and its implications with regard to the LRP.

On behalf of the Board, I am writing to summarize our findings regarding the economic analysis of the Cascade Point Terminal and our understanding of the project's status in the context of the Board's statutory responsibilities.

AMHS 2045 Long-Range Plan

As reported following the AMHOB's April 24, 2025, meeting, the Board approved the following motion:

"The Alaska Marine Highway Operations Board acknowledges that the Alaska Department of Transportation, the Alaska Marine Highway System, and the AMHS Long-Range Planning Team have consulted with the Board, providing continual updates as well as opportunities for input on the planning process and document over the past two years. The Board reviewed and provided final comment on the plan on April 5, 2025. Based on this process of consultation and review, the AMHOB endorses the AMHS 2045 Long-Range Plan. The Board recommends adoption and implementation of the plan by the Alaska State Legislature, Governor Mike Dunleavy, and the people of Alaska."

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Changes in the Final LRP Document

At some point in the six months between April 5, 2025, and the publication of the final version of the *AMHS 2045 Long-Range Plan* earlier this month, language regarding a possible Cascade Point Terminal was **materially changed**. The Board noted the following revisions:

1. **Original wording:** “Continuation of the Cascade Point feasibility study.”
Final wording: “Continuation of the build-out of the Cascade Point Ferry Terminal.”
2. **Original wording:** “The funding and schedule for the construction of the new Cascade Point Ferry Terminal was not included due to the ongoing feasibility study.”
Final wording: “The construction of the new Cascade Point Ferry Terminal has begun using existing state appropriations. The work will continue seeking out federal grants and other appropriate funding sources.”
3. **Original wording:** “Terminal lease payments or project costs related to the proposed Cascade Point Ferry Terminal are not included in the 2045 LRP due to feasibility study ongoing as of the 2045 LRP adoption.”
Final wording: “Terminal lease payments or project costs related to the proposed Cascade Point Ferry Terminal are not included in the 2045 LRP due to timing of the 2045 LRP and recent decisions to move forward with the terminal facility.”

The AMHOB was **not consulted** on these changes. The Board had previously requested additional work to determine the project’s feasibility and its alignment with the strategic direction of the Alaska Marine Highway System.

Economic Analysis of the Cascade Point Terminal

The Board discussed the report, titled *Analysis of the Proposed Cascade Point Ferry Terminal*, which was distributed by Commissioner Anderson on or about October 15, 2025. It is the consensus of the Board that this analysis falls short of the standard requested at our March 5, 2024, meeting.

Throughout the development of the Long-Range Plan and during public comment at Board meetings, AMHOB consistently heard skepticism and opposition regarding the Cascade Point Terminal. The scope of the economic analysis relies heavily on speculative externalities to arrive at a marginal justification for the project. The language in the report suggests that any benefit within the AMHS is “redistributive, rather than generative.”

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Finding of Failure to Consult and Deviation from the LRP

Pursuant to the AMHOB's statutory responsibilities under Article 3, Sections 19.65.011 and 19.65.180(f), the Board—by unanimous roll call vote—finds that, given the changes made to the *Long-Range Plan* without consultation and the continued advancement of infrastructure development for the Cascade Point Terminal absent more rigorous analysis, there exists a **deviation from the Long-Range Plan** for the Alaska Marine Highway System.

It is our concern this deviation will result in ongoing operational costs and obligations for AMHS, as well as the depletion of limited capital funds to the detriment of critical improvements needed at existing terminals across the system.

Given these findings, the lack of consultation on material edits to the LRP, inadequate planning alignment, and other significant capital needs throughout the Alaska Marine Highway System, the Board urges reconsideration of the steps being taken to advance development of a Cascade Point Terminal.

Please contact me if you have any questions or require further information regarding this request for corrective action pursuant to Alaska Statute, Article 3 Section 19.65.180 (f).

Respectfully,

ALASKA MARINE HIGHWAY OPERATIONS BOARD



Wanetta Ayers, Chair

dc: Alaska Marine Highway Operations Board
Commissioner Ryan Anderson
Governor's Legislative Office