

**ALASKA STATE LEGISLATURE**  
**SENATE TRANSPORTATION STANDING COMMITTEE**

March 4, 2025

1:42 p.m.

**MEMBERS PRESENT**

Senator Jesse Bjorkman, Chair  
Senator Löki Tobin, Vice Chair  
Senator Jesse Kiehl  
Senator Bert Stedman  
Senator Mike Shower

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

**COMMITTEE CALENDAR**

PRESENTATION(S) : ALASKA MARINE HIGHWAY SYSTEM LONG: RANGE PLAN

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

DOM PANNONE, Director  
Program Management and Administration  
Department of Transportation and Public Facilities (DOTPF)  
Juneau, Alaska  
**POSITION STATEMENT:** Co-presented Alaska Marine Highway System  
Long Range Plan.

CRAIG TORNGA, Marine Director  
Alaska Marine Highway System (AMHS)  
Department of Transportation and Public Facilities (DOTPF)  
Ketchikan, Alaska  
**POSITION STATEMENT:** Co-presented Alaska Marine Highway System  
Long Range Plan.

**ACTION NARRATIVE**

[1:42:44 PM](#)

CHAIR BJORKMAN called the Senate Transportation Standing Committee meeting to order at 1:42 p.m. Present at the call to order were Senators Kiehl, Tobin, Stedman, Shower and Chair Bjorkman.

**PRESENTATION(S): ALASKA MARINE HIGHWAY SYSTEM LONG RANGE PLAN**

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CHAIR BJORKMAN announced the presentation Alaska Marine Highway System: Long Range Plan by Department of Transportation and Public Facilities (DOTPF) by Director Craig Tornga and Director Dom Pannone.

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DOM PANNONE, Director, Program Management and Administration, Department of Transportation and Public Facilities (DOTPF), Juneau, Alaska, introduced himself.

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CRAIG TORNGA, Marine Director, Alaska Marine Highway System (AMHS), Department of Transportation and Public Facilities (DOTPF), Ketchikan, Alaska, introduced himself and advanced to Slide 2:

[Original punctuation provided.]

**SAFETY**

**AMHS Safety Goal:**

**NO HARM** to People, Environment,  
and Equipment

**2024 Safety Results**

51 injuries: **14** strains, **13** slip, trip, or fall,  
**5** struck or hit an object, **5** finger, **4** burn, **3**  
other, **2** absorption, ingestion or inhalation, **2**  
cut, **1** eye, **1** chest pain, **1** repetitive motion

**No** spills to the water from terminals and vessels  
**No** collisions or allisions

MR. TORNGA said that AMHS recently began tracking these statistics, which will help AMHS improve operations. He noted

six customer spills that were contained to the vessel. He briefly explained how terminal guards ensure spills do not reach drains.

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CHAIR BJORKMAN asked how customers create spills.

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MR. TORNGA explained that cars sometimes leak transmission fluid or antifreeze (among other things). He briefly described the tools used to capture leaks. He noted that the majority of the spills were at the Whittier terminal while vehicles were waiting to embark.

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SENATOR TOBIN asked about the finger injuries listed on Slide 2.

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MR. TORNGA clarified that the slide is referring to five fingers. He added that most individuals were wearing gloves, which minimizes damage.

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MR. TORNGA advanced to Slide 3 and discussed fleet reliability:

[Original punctuation provided.]

#### **RELIABILITY**

- Shipyard Delays with steel repairs due to wastage
  - LCONTE, TUSTUMENA, AURORA, COLUMBIA
- Implemented Computer Maintenance Management System (CMMS) in 2024; all vessels are in the system and using all functions
- 2024 Operational Uptime Percentage - 98.51 percent
  - 35,420.25 operating hours / 527.75 out of service hours

MR. TORNGA said that many reliability issues are related to the age of the fleet. He described the repairs needed for each vessel and offered a timeline for their return to use. He described the new computer maintenance management system (CMMS). A drydock module is forthcoming. He said AMHS recently began

tracking reliability statistics, which is tracked as an uptime percentage. This percentage applies to vessels in operation. The target uptime percentage is 99 percent.

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MR. TORNGA advanced to Slide 4 and discussed crewing operations:

[Original punctuation provided.]

## **2024 CREWING OPERATIONS AND SEPARATIONS**

### **Masters, Mates and Pilots (MMP)**

Hired 7 with 11 Separated

### **Marine Engineer's Beneficial Assoc. (MEBA)**

Hired 1 with 8 Separated

### **Inlandboatmen's Union (IBU) Engine**

Hired 8 with 6 Separated

### **Inlandboatmen's Union (IBU) Deck**

Hired 15 with 20 Separated

### **Inlandboatmen's Union (IBU) Steward**

Hired 79 with 41 Separated

### **MV Matanuska serving as a hotel ship**

- Meeting Collective Bargaining Agreement Requirements
- Ketchikan and Southeast facing a Housing Shortage
- Temporary housing for training events and new hires, offsets hotel (if available) and other quartering costs

### **Looking for creative solutions to housing and quartering staff**

[Slide 4 includes a table comparing the Base Pay for key AMHS crew positions compared with the Base Pay (unverified) for Washington State Ferry crew positions.]

MR. TORNGA explained that Masters, Mates, and Pilots (MMP) separations were primarily due to retirement. Engineering separations are related to a national engineering shortage.

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SENATOR KIEHL asked whether AMHS has shared this information has with its bargaining units.

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MR. TORNGA replied yes.

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CHAIR BJORKMAN asked about the path to becoming a marine engineer.

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MR. TORNGA briefly explained the process, which includes completing a 4-year program or working up from an entry-level position.

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CHAIR BJORKMAN asked what a wiper does.

MR. TORNGA explained that "wiper" is a term for an entry-level position and refers to the work of wiping down engines, clearing oil, and performing preventative maintenance to support the engineers. He briefly explained the different levels and locations for this position.

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CHAIR BJORKMAN noted previous discussions regarding the cost to maintain the Matanuska as part of the fleet. He asked about the cost benefit of using the Matanuska as a hotel ship.

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MR. TORNGA replied that a fixed facility for lodging would be more cost-effective. He said that using the ship for training has been beneficial; however, it is an expensive option. Costs could be reduced by moving the ship into lay-up status. He briefly discussed the options to lower the cost.

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MR. TORNGA advanced to Slide 5 and discussed crewing operations by position. Slide 5 contains a chart of the needs and current numbers for various positions. He noted successes with the third mate position and explained pilotage requirements. There have been shortages with engineering crew.

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MR. TORNGA advanced to Slide 6 and discussed AMHS workforce initiatives. He noted that it can be challenging for employees to find housing in Southeast; hiring locally helps to avoid

housing issues. AMHS initiatives include school outreach, community partnerships, and in-state travel (to avoid relocation).

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MR. TORNGA briefly discussed career pathways, job fairs, course requirements, and training grants. There is funding to create 8 new licensed positions. This will help to fill position gaps.

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SENATOR STEDMAN asked for a synopsis of the hiring process.

[2:06:12 PM](#)

MR. TORNGA said AMHS has streamlined the application process. Someone who has the required certificate will be hired for a position if there is an opening. He added that there is availability for the ordinary seaman position. There are typically 12-15 new hires each month (primarily stewards). Alaska hires are the primary focus and there is a hiring bonus. He noted high overturn. It is more difficult to fill licensed positions.

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SENATOR STEDMAN asked about the hiring process for someone who is not a seaman.

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MR. TORNGA explained the process of obtaining certification. The process is roughly 5-6 weeks, with some candidates working and training onboard while they obtain their certification. New hires must also obtain a Transportation Worker Identification Credential (TWIC) card and various training courses. AMHS partners with the University of Alaska Southeast (UAS) in Ketchikan and Alaska Vocational Technical Center (AVTEC) to provide the necessary training courses.

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MR. PANNONE advanced to Slide 7 and discussed operational funding for 2023-2025. This includes Infrastructure Investment and Jobs Act (IIJA) Rural Ferry Grant Program (49 USC § 5334) and Formula Programs (23 USC §§ 218, 147, 139). The proposed budget for calendar year 2026 includes a \$46 million federal grant. \$20.7 AMHS revenue funds and \$61.4 million of unrestricted general funds.

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MR. PANNONE advanced to Slide 8 and discussed operating budget, expenditure, and revenue trends from 2016 to present. He noted that actual expenses were less than budgeted amounts, due to crew requirements. AMHS has relied significantly on federal funds, decreasing the impact of reduced revenues. He briefly discussed the reduced revenues from the peak in 2019. Revenues have not recovered fully from Covid-19 shutdowns. Revenues are a significant long-range focus.

[2:12:49 PM](#)

MR. PANNONE advanced to Slide 9 and discussed AMHS's ridership history from 1990 to present. Slide 9 includes a graph showing passengers, vehicles, vessels operating, and budget actuals. He said there is a strong correlation between the number of available ships and the amount of funds spent. He noted a dip during the Covid-19 pandemic with steady recovery after that time.

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SENATOR KIEHL directed attention to Slide 8 and noted a \$2 million AMHS revenue drop from 2023-2024. He then turned to Slide 9 and noted what appears to be a slight increase in passengers and vehicles in 2024 over 2023. He asked for clarification.

[2:14:04 PM](#)

MR. PANNONE said that the revenue is attributed to the different vessels and routes the ridership was taking. He explained that in those years, there was a significant amount of ridership for Southeast-only routes (as opposed to Bellingham routes, which result in significantly more revenue). Shorter trips result in lower revenue, even though ridership is up.

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MR. TORNGA added that in 2024, the Bellingham route was run by the Kennicott rather than the Columbia. The Kennicott has a smaller vehicle deck, which resulted in a decline in that (higher revenue) route. The Hubbard was introduced in 2023 for Lynn Canal, which increased ridership on that route. He explained that much of AMHS revenue is from vehicles, rather than walk-on passengers.

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SENATOR STEDMAN asked about shoreside infrastructure and personnel in locations where a ship is in port once every two weeks.

[2:16:09 PM](#)

MR. TORNGA replied there is a lot of downtime in those locations. He added that it has been a challenge to keep some needed personnel, including port engineers and construction engineers. He noted a recent construction engineer hired for the Tustumena replacement vessel.

[2:18:30 PM](#)

MR. PANNONE advanced to Slide 10 and discussed Alaska Marine Highway System Fund (AMHSF) (1076) (AS 19.65.060, AS 37.05.550) and the AMHS Vessel Replacement Fund (1082) (AS 37.05.550). All revenue generated is deposited into AMHSF. Slide 10 contains a table showing the history of balances, revenues, and expenditures for 2019 through 2024 and 2025-2026 projections. Capital and overhaul expenses earn federal toll credits, allowing AMHS to take advantage of Federal Transit Administration (FTA) funds. He briefly explained how revenues impact funding and AMHS's long-term funding plan.

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SENATOR STEDMAN pointed out that the projected 2026 budget is negative \$8.5 million and asked about the plan to address this.

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MR. PANNONE explained that the projected amounts are based on ridership and revenues remaining the same. Additional funding mechanisms - or a decrease in AMHS's operating budget - would be needed in this case. AMHS could also apply for Title 23 grant funds from the Federal Highway Administration (FHWA). The current goal is to increase revenue.

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SENATOR KIEHL acknowledged the goal of increased revenue but pointed out that 2026 is fast approaching. He was if there is a plan to increase revenue by the necessary amount (\$8.5 million) in 15 months.

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MR. PANNONE answered that the current year has seen an 18 percent increase in revenue. AMHS needs around \$4 million per year to reach the revenues needed. He explained that AMHS can shift the funds it is using.

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SENATOR KIEHL surmised that the budget proposal needs to be adjusted.

[2:22:18 PM](#)

MR. PANNONE replied that AMHS is focusing on increasing revenue and is not seeking an adjusted budget proposal at this time.

[2:22:31 PM](#)

MR. TORNGA advanced to Slide 11 and discussed capital projects:

[Original punctuation provided.]

### **Vessel Projects**

#### **Vessel Capital Improvement Projects**

- TAZLINA Crew Quarters Addition
- COLUMBIA Controllable Pitch Propellor Upgrade
  - Project cancelled following Recent Risk Assessment
- MATANUSKA - Audio Gauge reports at next Alaska Marine Highway Operations Board (AMHOB) Meeting
- KENNICOTT Generator Upgrades Underway

MR. TORNGA said AMHS has been working with FTA to meet program and administrative requirements for the Tazlina crew quarters addition.

[2:26:03 PM](#)

MR. TORNGA advanced to Slide 12 and discussed the status of the various AMHS Vessels. Slide 12 contains information for each vessel, including current projects, upgrades, and age. Planned future vessels are also included on this slide.

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MR. TORNGA advanced to Slide 13 and discussed the Tustumena Replacement Vessel Schedule. AMHS is completing the final design for the vehicle lift. He briefly discussed the power propulsion unit, which must be completed before the Request for Proposal (RFP) can go out. There is a 30-month construction timeline. He noted that the "Buy America" component creates additional work on the front-end.

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SENATOR STEDMAN commented on the Tustumena wheelhouse configuration and asked whether the design is intentionally old-fashioned.

[2:30:03 PM](#)

MR. TORNGA commented that the replacement vessel contains a lot of modernization; however, he said he understands the comment about the wheelhouse design. He explained that the replacement vessel is diesel/electric and has redundancy in the power system. He briefly described the power system and its benefits. He emphasized that the new system would be more accessible, resulting in greater ease with maintenance. He also noted that a new boiler system.

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MR. TORNGA advanced to Slide 14 and continued to discuss the Tustumena replacement vessel. He explained that the replacement wheelhouse will have excellent visibility. He briefly described the design process.

[2:35:04 PM](#)

MR. TORNGA advanced to Slide 15 and discussed AMHS terminal infrastructure improvements. Improvements would total \$170 million and would include 33 AMHS ports and 12 terminal projects (2024-2027). Slide 15 contains a map of locations and improvement projects. He explained that one long-range plan is to standardize terminals. All funds are managed by DOTPF.

[2:36:10 PM](#)

MR. TORNGA advanced to Slide 16:

[Original punctuation provided.]

### **Long Range Plan Focus Areas**

#### **Service**

Provide a service that is safe, reliable, and connects our communities

#### **Fleet and Terminal Infrastructure**

Modernize and update our fleet and terminal assets to promote resiliency and standardization

#### **Workforce**

Continue to build and support a reliable workforce

#### **Financial Efficiency and Sustainability**

Promote financial efficiency and sustainability

MR. TORNGA emphasized the work done regarding service, which included focus groups to better understand community wants and needs.

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MR. TORNGA advanced to Slide 17 and discussed Modernization and Standardization:

[Original punctuation provided.]

### **An Aging Fleet**

Modernization and Standardization

The AMHS fleet is comprised of older vessels. Modernizing and replacing vessels will provide updated systems and can decrease the likelihood of unplanned service outages.

Standardization increases uniformity and consistency of vessels in the fleet. A standard fleet also improves flexibility and reliability in the event of vessel technical issues, as more vessels can serve more routes.

Recommended Standardization

- Loading Door Locations
- Pilothouse Design
- Power and Propulsion Systems
- Berthing and Mooring Structures

Benefits

- Interoperability
- Schedule Flexibility
- Easier Crew Training
- Simpler Procurement
- Reliability

**30-35:** Target age of vessel maintenance life

**5:** Vessels under the age of 30

**55:** Average age of vessels over 30

**61:** Oldest AMHS vessel

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SENATOR STEDMAN noted committee members' interest in the discussion of phasing out older vessels.

[2:40:17 PM](#)

MR. TORNGA related a story of how he sold the first boat he sailed on and commented that sentimentality can be costly.

[2:40:48 PM](#)

MR. TORNGA advanced to Slide 18 and discussed fleet analysis:

[Original punctuation provided.]

### **Components of Fleet Analysis**

Model included considerations/inputs such as:

- Capacity
  - Vehicle Capacity
  - Passenger Capacity
  
- Cost
  - Fleet Capital Cost
  - Fleet Operational Cost
  - Farebox Recovery Rate
  
- Route Profile
  - Distance/Travel time between ports
  - Total Workforce Size
  - Vessel Crewing Requirements
  - Level of Service
  - Fleet Redundancy
  - Maintenance Weeks

MR. TORNGA briefly described the process and tools used to conduct the fleet analysis.

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SENATOR KIEHL asked about the degree to which route profiles considered sea and weather states - and the new ships' ability to handle these.

[2:43:12 PM](#)

MR. TORNGA said AMHS did consider this. He noted that, currently, the Yakutat route is dependent on the Kennicott. The long-range plan is to change the Yakutat dock to a floating dock, thus allowing the mainline ocean-class vessels to dock there. He briefly discussed how ships would be able to fill in for various routes.

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SENATOR KIEHL pointed out that weather can vary greatly along different routes, particularly in winter. He said he wants to be sure the modeling and profiling is considering this.

[2:45:34 PM](#)

MR. TORNGA agreed and indicated that the modeling and profiling is considering this. He reiterated that all the new vessels are diesel/electric and explained why this redundancy is preferable. With respect to icing and spray, he said that vessels would still have an open deck. He briefly discussed how the bow of various vessels is designed to minimize spray. He noted ease of maintenance and lowered costs.

[2:48:21 PM](#)

SENATOR STEDMAN commented that residents of Southeast Alaska would like to take the ferry to Prince Rupert and/or Hyder. He noted that many residents cannot afford to take the ferry all the way to Bellingham and would prefer to ferry to Price Rupert and drive down. He opined that a solution is needed and noted that revenue is one consideration. He suggested that Prince Rupert could be added without cutting revenue from the Bellingham route.

[2:49:09 PM](#)

MR. TORNGA replied that the long-range plan includes Prince Rupert or Hyder. He indicated that a waiver for the Buy America requirement is the deciding factor for this route addition. If AMHS does not receive a waiver, the necessary federal funds will not be accessible.

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SENATOR STEDMAN opined that residents are less concerned about how they reach Prince Rupert and simply want access.

[2:50:02 PM](#)

MR. TORNGA expressed understanding and noted STIP funding to complete a study on the dock at [Prince Rupert]. The resulting data would allow plans to move forward. He said that AMHS has considered potential dock layouts and expressed confidence in the project's feasibility. AMHS has contacted FHWA regarding funds for a facility at [Prince Rupert]; FHWA indicated that this was a possibility.

[2:51:17 PM](#)

SENATOR STEDMAN asked for confirmation that Mr. Tornga is referring to Prince Rupert and not Hyder.

MR. TORNGA confirmed that he was referring to Prince Rupert.

[2:51:30 PM](#)

MR. TORNGA advanced to Slide 19 and provided an overview of the 2045 fleet configuration:

[Original punctuation provided.]

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

- Low-No I - Shuttle (new)
- Low-No II - Shuttle (new)
- TRV - Tustumena Replacement Vessel (new)
- MRV I - Mainliner Replacement Vessel (new)
- MRV II - Mainliner Replacement Vessel (new)
- DB - Dayboat Replacement Vessel (new)
- Hubbard - Dayboat
- Tazlina - Dayboat

MR. TORNGA explained that this configuration has the lowest associated cost and ensures that there are backup vessels across the fleet. He briefly discussed speed and coverage improvements.

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MR. TORNGA advanced to Slide 20 and discussed the short-, mid-, and long-term plans for vessel replacements. Slide 20 contains an infographic to illustrate the short-, mid-, and long-term plans for vessel replacement (breaking down contract design/contracting and detail design/construction) and the age of each vessel at the time of replacement. He indicated that more specific dates are available. He briefly discussed the construction speed for different vessels. He emphasized the role that new vessels play in fleet reliability.

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MR. TORNGA advanced to Slide 21 and discussed the path to reliability:

[Original punctuation provided.]

Period of Variability: 2025-2028

- 5,200 Average Annual Port Calls
- New Vessel Online: Low-No I Shuttle

- 13 Terminal Projects Ongoing
- Average Fleet Age: 36

Initial Success: 2029-2035

- 6,300 Average Annual Port Calls
- New Vessels Online: TRV; MRV I; Dayboat
- 29 Terminal Projects Ongoing
- Average Fleet Age: 20

Reliable Expansion: 2036-2045

- 6,700 Average Annual Port Calls
- New Vessels Online: MRV II; Low-No II
- 40 Terminal Projects Ongoing
- Average Fleet Age: 13

[2:56:16 PM](#)

SENATOR SHOWER commented that Southwest and Southeast rely on ferries for transportation between communities and funding is necessary. He asked for confirmation of his understanding that AMHS is moving toward a fleet that has greater flexibility, made up of more small vessels that run with greater efficiency.

MR. TORNGA confirmed this understanding. He explained that AMHS is considering the fleet, rather than focusing on individual vessels. Routes are also considered, as long runs require a large vessel. He added that timing, efficiency and crew requirements must be considered in light of new US Coast Guard (USCG) work-rest rules. A smaller fleet also means that backup crews must be reconfigured. He reiterated that AMHS is focusing on the fleet while ensuring efficiency for the primary task.

[2:59:07 PM](#)

MR. TORNGA advanced to Slide 22 and discussed next steps:

[Original punctuation provided.]

### **Next Steps**

#### **LRP Document Prep and Review**

#### **30-Day Public Review Period**

#### **Project Completion and Interim Updates**

Once the draft document is complete, there will be a 30-day public comment period. Once the Plan is complete, the work won't be done! The plan is a living

document and will be revisited every 5 years for project updates and implementation reports.

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CHAIR BJORKMAN thanked the presenters. He encouraged AMHS to work on increasing ridership. He said that a cross-gulf ferry service would be utilized by his constituents. He stated that many of his constituents would take advantage of a reliable ferry from Homer to Kodiak. He emphasized the need for reliable service at intervals that make sense for Alaskans' travel needs. He asked about how ferry routes are determined.

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MR. TORNGA answered that ferry focus meetings emphasized schedule reliability. Businesses also emphasized the need for reliability. He expressed understanding and stated that one goal of AMHS is to create a reliable schedule.

[3:01:42 PM](#)

CHAIR BJORKMAN commented on the impact that cancellations have on travelers - particularly when canceled sailings are not rescheduled as soon as possible. He criticized AMHS's lack of consideration for travelers impacted by cancellations and questioned the decision to not reschedule sailings that and leave travelers - and their belongings - stranded. He expressed frustration that AMHS does not uphold commitments to its ridership - and yet is seeking public support for the services it provides.

[3:02:37 PM](#)

MR. TORNGA expressed his understanding. He emphasized that the long-range plan is to return to reliable service and this goal can be achieved with the necessary support and initiatives in place.

[3:03:22 PM](#)

CHAIR BJORKMAN thanked the presenters.

[3:03:27 PM](#)

There being no further business to come before the committee, Chair Bjorkman adjourned the Senate Transportation Standing Committee meeting at 3:03 p.m.