

M/V Tustumena Replacement Vessel**FY2025 Request: \$92,786,400****Reference No: AMD 65041****AP/AL:** Allocation**Category:** Transportation**Location:** Statewide**Impact House District:** Statewide (HD 1 - 40)**Estimated Project Dates:** 07/01/2024 - 06/30/2029**Appropriation:** Rural Ferry Grants**Project Type:** Construction**Recipient:** NA**House District:** Statewide (HD 1 - 40)**Contact:** Dom Pannone**Contact Phone:** (907)465-2956**Brief Summary and Statement of Need:**

The 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, will improve service reliability, reduce greenhouse gas emissions, increase service, and ensure a vital transit lifeline is preserved.

Funding:	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	Total
1002 Fed Rcpts	\$92,786,400						\$92,786,400
Total:	\$92,786,400	\$0	\$0	\$0	\$0	\$0	\$92,786,400

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> Ongoing
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec14 Ch1 SLA2023 P111 L7 HB39 \$68,488,384

Sec1 Ch1 SLA2017 P7 L27 SB23 \$244,000,000

Sec1 Ch16 SLA2013 P78 L16 SB18 \$10,000,000

Total Project Cost: \$85,610,480

Federal Request: \$68,488,384

State Funded Match: \$17,122,096 (FY2018 Vessel Replacement Fund Appropriation)

Project Description/Justification:

The Marine Vessel (M/V) Tustumena is close to 60 years old and has had an exceptionally long service life, servicing Kodiak and Aleutian communities for the past several decades. She provides year-round service to the Kodiak area and journeys out the Aleutian Chain 10 times each year. The M/V Tustumena transports passengers and freight throughout southwest Alaska, which has a major economic impact on all segments of coastal communities to which she sails.

As the vessel continues to age and is subjected to a hostile, corrosive salt-water environment, maintenance problems have created significant service reductions in southwest Alaska as the vessel must be continually removed from revenue service for maintenance and repairs.

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The operating and capital cost required to keep the M/V Tustumena operational, and the shipyard time required to accomplish the maintenance work, increase the longer the ship is in operation. The risk of failures and deficiencies in vessel structure, machinery, and equipment is increasing the longer the Tustumena is operated.

Delaying construction of the new vessel will have cost and risk implications for the Alaska Marine Highway System (AMHS). Since the only other vessel capable of serving Homer, Kodiak and portions of the Aleutian Islands is the M/V Kennicott, the AMHS will be compelled to keep operating M/V Tustumena until the new replacement vessel is delivered.