

ECONOMIC IMPACT ASSESSMENT INTER-ISLAND FERRY AUTHORITY

2025

2020-2024



A Critical Transportation System Supporting Southeast Alaska's Economy



NOTES FROM THE IFA

Each year the State of Alaska has awarded the IFA with \$250,000 in State public funding. Below you will find a list of each grant provided to the IFA since FY2014. Prior to FY2025 these grants had an average five-year life cycle, the FY2025 grant has a single year life cycle.

- FY2014 - exp. 2019 \$500,000 awarded (supplemental)
- FY2015 - exp. 2019 \$500,000 awarded (supplemental)
- FY2016 - exp. 2017 \$250,000 awarded
- FY2016 - exp 2017 \$150,000 awarded (Northern Route Coverage)
- FY2017 - exp 2018 \$250,000 awarded
- FY2018 - exp 2022 \$250,000 awarded
- FY2019 - exp 2023 \$250,000 awarded
- FY2020 - exp 2024 \$250,000 awarded
- FY2021 - exp 2025 \$250,000 awarded
- FY2022 - exp 2026 \$250,000 awarded

- FY2024 - exp 2028 \$250,000 awarded
- FY2025 - exp 2026 \$250,000 awarded

Data for this report is based on calendar year data, from January to December of each year.

Data was unavailable for many of the years on the seafood industry impacts created by the IFA. Thankfully many seafood processors, shippers, and operators provided statements on the impact of the IFA system on their businesses. Those can be found in Appendix C.

Graph data for all of the information contained herein, can be found in Appendix A.

Appendix B contains a summary of the methodology and equations used in this report.

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ABOUT THE INTER-ISLAND FERRY AUTHORITY

The Inter-Island Ferry Authority (IFA) is a public, nonprofit marine transportation authority, established to ensure reliable, affordable, and community-driven ferry service in Southern Southeast Alaska. Formed under Alaska Statute 29.35.600, the IFA was established by the communities of Prince of Wales Island, in partnership with the State of Alaska, following reductions to the Alaska Marine Highway System that threatened essential access to commerce, medical care, and education. The IFA began operations in 2002 and has provided continuous service for more than two decades.

The IFA operates a daily, year-round ferry route between Hollis on Prince of Wales Island and Ketchikan. This route serves as the primary surface transportation connection for more than a dozen island communities, supporting the movement of workers, families, medical patients, freight, seafood, and visitors. Operating in demanding marine conditions, the ferry consistently meets schedule and safety expectations, making service reliability a defining feature of the system.

Governed by a locally appointed Board of Directors, the IFA ensures that policy reflects regional needs, economic realities, and community priorities. The IFA operates under a hybrid financial model, supported by fare revenue and limited state and federal funding, primarily dedicated to vessel maintenance and long-term capital needs.

The IFA's role extends well beyond passenger transportation. The ferry functions as essential infrastructure for workforce mobility, school travel, medical access, and the movement of goods.

It supports the commercial fishing and seafood processing sector by providing a dependable pathway for time-sensitive product and contributes directly to the regional visitor economy by enabling independent travel to Prince of Wales Island. For many residents, the ferry provides access to services that would otherwise be financially or logistically out of reach.

The IFA has continually reinvested in safety, vessel upgrades, crew training, and operational efficiency. These improvements position the IFA to continue providing dependable service while managing cost pressures related to fuel markets, workforce competition, and aging marine infrastructure. Current planning focuses on sustaining long-term transportation stability for Southern Southeast Alaska and on maximizing the economic and community value generated by every public dollar invested.



ESTABLISHED IN 1997



SERVICE BEGAN 2002



**PRIMARY ROUTE:
HOLLIS - KETCHIKAN**



**DAILY, YEAR ROUND
SERVICE**



FIVE-YEAR SUMMARY

SYSTEM PERFORMANCE & ECONOMIC CONTEXT 2020-2024

From 2020 through 2024, the IFA played a central role in sustaining economic activity, essential travel, and community connectivity for Prince of Wales Island and the surrounding region during a period defined by unprecedented disruption and gradual recovery.

As travel demand increased, the ferry system supported the reopening and stabilization of local businesses, including lodging, food service, retail, and transportation providers, by facilitating reliable access to and from Prince of Wales Island.

In 2020 and 2021, the COVID-19 pandemic significantly affected travel patterns, passenger volumes, and tourism activity across Southeast Alaska. Despite these challenges, the IFA continued operating as an essential surface transportation provider, supporting medical travel, workforce mobility, freight movement, and access to essential goods and services. During this period, the ferry system functioned as a stabilizing presence, ensuring continuity of service when alternative transportation options were limited or unavailable.

Throughout 2023 and 2024, the IFA continued to operate within a more stable environment, responding to evolving travel demand, workforce challenges, and operational constraints while maintaining its role as the primary daily surface transportation link between Prince of Wales Island and the regional hub of Ketchikan.

Beginning in 2022, the IFA experienced a gradual recovery in ridership as travel restrictions eased and tourism activity resumed. Passenger travel increasingly reflected a mix of residents, essential workers, medical travelers, and returning visitors, signaling renewed economic and social activity across the region.

Across the full 2020–2024 period, the IFA's economic impact extended beyond direct passenger counts. This five-year timeframe underscores the IFA's role as both an essential public service and a transportation-based economic driver, connecting people, sustaining communities, and supporting long-term economic stability for Prince of Wales Island and Southeast Alaska.



HOLLIS FERRY TERMINAL RAMP PROVIDING VEHICLE AND PASSENGER ACCESS TO DAILY FERRY SERVICE.



2020 ECONOMIC IMPACT SUMMARY

ESSENTIAL SERVICE DURING PANDEMIC DISRUPTION



The year 2020 presented unprecedented challenges to transportation systems nationwide. Despite significant service interruptions related to COVID-19 and ongoing operational constraints, the IFA continued to operate as an essential transportation link between Prince of Wales Island and Ketchikan, maintaining access to medical travel, commerce, and basic community needs throughout the public health emergency.

Service & Access Provided

In 2020, the IFA transported **21,587 total passengers**, including 16,551 adults, 1,840 children, and 321 infants. Passenger manifests demonstrated continued reliance on the ferry for everyday travel despite widespread disruptions to tourism and discretionary movement.

The IFA also transported **5,272 vehicles**, supporting personal travel, freight movement, workforce mobility, and access to essential services. Even under reduced schedules and capacity limitations, the ferry remained a primary transportation option and, in many cases, the only reliable connection for island residents.

Economic Value Generated

Beyond direct fare revenue, the ferry system played a critical role in supporting the regional economy. In 2020, direct spending associated with IFA operations and ferry-enabled activity **totaled \$8,161,600.68**. This activity generated an additional **\$11,945,477.43 in indirect** and induced economic effects, resulting in a **total economic value of \$20,107,078.11**.

For every **\$1.00** of annual state funding invested, the Inter-Island Ferry Authority generated an estimated **\$80.43 in economic return**, underscoring the ferry's role as a high-impact public transportation investment.

Operations & Reliability

In 2020, the IFA scheduled **720 sailings** and successfully completed **559 sailings**. Service reductions were driven primarily by public health restrictions, with **126 sailings canceled due to COVID-19** and **35 sailings canceled for mechanical reasons following an unexpected propulsion system failure**. No sailings were canceled due to weather conditions.

Average onboard counts remained modest, with an average passenger load of **32 passengers per sailing**, reflecting reduced capacity and suppressed demand during much of the year.

2020 ECONOMIC IMPACT SUMMARY

Revenue & Public Investment

Total fare revenue in 2020 totaled **\$1,587,788.72**, reflecting ticket sales across passenger, vehicle, and commercial traffic categories. Farebox recovery for the calendar year was **46%**, necessitating continued public investment to sustain operations and preserve essential connectivity.

Public funding included **\$250,000.00 in state funds** and **\$2,099,423.14 in federal funds**. Of this total, **\$1,305,772.00 was provided through COVID-19 CARES Act funding**. These funds were essential in maintaining baseline service levels, retaining staff, and ensuring operational readiness throughout the public health emergency.

Community Programs & Cost Saving

In 2020, the IFA delivered measurable community benefits through fare reductions and specialized travel support. School district discounts totaled **\$178,861.00**, easing transportation costs for students and educational institutions.

Looking Forward

The 2020 operating year illustrates the resilience and essential role of the Inter-Island Ferry Authority during periods of crisis. Even amid reduced schedules, capacity limitations, and financial uncertainty, the ferry system remained a vital link for residents, businesses, and communities. The economic and social value generated during one of the most challenging years on record reinforces the IFA's critical role in sustaining connectivity across Prince of Wales Island and Southeast Alaska.

Key takeaway: The 2020 operating year demonstrates the IFA's role as essential infrastructure, sustaining access to medical care, goods, and economic activity during a system-wide transportation disruption.



**\$80.43 IN ECONOMIC
ACTIVITY PER \$1 OF
STATE INVESTMENT**



**\$20M IN MEASURED
ECONOMIC VALUE**



**\$2.1M IN FEDERAL AND
STATE INVESTMENT**



**46% FAREBOX
RECOVERY**



\$1.58M IN FARES



**21,587
PASSENGERS**



5,272 VEHICLES



559 SAILINGS



**\$178,861 IN SCHOOL
TRAVEL SAVINGS**

2021 ECONOMIC IMPACT SUMMARY

STABALIZATION & EARLY RECOVERY



In 2021, the Inter-Island Ferry Authority operated during a year of gradual recovery following the initial disruptions of the COVID-19 pandemic, continuing to provide essential transportation between Prince of Wales Island and Ketchikan.

Service & Access Provided

Passenger activity rebounded during the year, with the ferry transporting **37,339 passengers**. This total included 27,839 adults, 3,051 children, 605 infants, and 5,844 seniors, reflecting increased use across resident, family, and senior travel categories. Vehicle transport also increased, with **8,788 vehicles** carried, supporting personal travel, freight movement, and the delivery of essential goods and services. Passenger and vehicle manifests demonstrate renewed confidence in ferry travel while continuing to highlight the system's role as essential infrastructure for island communities.

Economic Value Generated

Ferry operations and ferry-enabled travel generated **\$8,523,753.82 in measured direct spending** across the regional economy. This activity produced an additional **\$15,071,320.60 in indirect** and induced economic effects, resulting in a **total economic value of \$23,595,074.42**.

The IFA generated an estimated \$94.38 in economic return, underscoring the ferry's effectiveness as a public transportation investment during the recovery phase. As the pandemic came to a close, the IFA slowly began moving toward pre-pandemic economic contributions.

Operations & Reliability

Service reliability improved substantially, with **720 sailings scheduled and 672 sailings completed**. Weather-related cancellations remained minimal, totaling 2 sailings, while 4 sailings were canceled for mechanical reasons. Public health-related service interruptions declined significantly, with **42 sailings canceled due to COVID-19**, compared to 126 in the previous year. Average onboard passenger counts rose to 55 passengers per sailing, reflecting increased demand and expanding capacity as travel conditions stabilized.

2021 ECONOMIC IMPACT SUMMARY

Revenue & Public Investment

Fare revenue increased 74%, totaling **\$2,775,771.44**, driven by higher passenger volumes and vehicle traffic dramatically reducing reliance on state and federal subsidy. As a result, **farebox recovery improved to 71%**.

Public investment consisted of **\$250,000 in state funds** and **\$1,278,985.16** in federal funds, for a combined total of \$1,528,985.16. Although funding levels decreased from the emergency response period, continued public support remained critical in maintaining service reliability and operational readiness.

Community Programs & Cost Saving

Community benefit programs continued to support residents requiring essential travel. Medical travel assistance totaled **\$114,588**, ensuring access to healthcare services, while Veterans Administration travel assistance totaled **\$53,499.87**, supporting eligible veterans traveling for medical care.

These programs reduced financial barriers, supported public health outcomes, and reinforced the ferry's role as a community-serving transportation system.

Looking Forward

The 2021 operating year reflects a clear transition from crisis response toward stabilization. Increased ridership, improved farebox recovery, and stronger operational reliability demonstrate the Inter-Island Ferry Authority's resilience and adaptability. As travel demand continued to recover, the ferry system remained a foundational transportation asset; supporting economic activity, maintaining essential connectivity, and strengthening long-term regional stability for Prince of Wales Island and Southeast Alaska.

Industry Impact: Reliable ferry service reduces shipping costs for time-sensitive seafood and mariculture products, supporting operational viability and growth for Prince of Wales Island producers who would otherwise face significantly higher air freight expenses.



**\$94.38 IN ECONOMIC
ACTIVITY PER \$1 OF
STATE INVESTMENT**



**\$23.59M IN MEASURED
ECONOMIC VALUE**



**\$1.5M IN FEDERAL &
STATE INVESTMENT**



**71% FAREBOX
RECOVERY**



\$2.77M IN FARES



**37,339
PASSENGERS**



8,788 VEHICLES



672 SAILINGS



**\$169,675.22 IN
SCHOOL TRAVEL
SAVINGS**

2022 ECONOMIC IMPACT SUMMARY

RESTORED DEMAND & OPERATIONAL RELIABILITY



By 2022, the IFA had entered a year defined by recovery, renewed travel demand, and operational stability. With pandemic-related disruptions largely resolved, ferry use increasingly reflected a broad mix of resident, workforce, and visitor travel. Throughout this period of renewed activity, the IFA continued to serve as a critical transportation link between Prince of Wales Island and Ketchikan, supporting economic activity, economic growth, essential services, and community connectivity.

Service & Access Provided

Travel demand strengthened significantly, with the ferry transporting **45,611 passengers** during the year. This includes 34,178 adults, 3,563 children, 739 infants, and 7,131 seniors, demonstrating expanded use across families, working-age residents, and senior travelers.

Vehicle traffic continued to increase alongside passenger growth, with **10,400 vehicles** transported. This supported personal travel, freight movement, commercial activity, and the reliable delivery of goods and services to island communities.

Economic Value Generated

Ferry operations and ferry-enabled travel generated **\$29,038,641.85 in total measured spending** across the regional economy. This activity produced **\$17,963,059.80 in indirect and induced economic effects, and a direct economic impact of \$11,075,582.05.** As emergency-level funding tapered and operations normalized, economic output increased compared to 2021 while reflecting a more stable funding environment. For every \$1.00 of state funding investment, the IFA generated an estimated **\$116.15 in economic return**, exceeding pre-pandemic levels.

Operations & Reliability

Operational performance reached a high level of reliability during the year. Of 720 scheduled sailings, **718 were successfully completed**, representing the strongest completion rate since 2019. **Only 2 sailings** were canceled due to weather, and no sailings were canceled for mechanical reasons. COVID-related service interruptions were **fully eliminated**. Average passenger counts increased to **62 passengers per sailing**.

2022 ECONOMIC IMPACT SUMMARY

Revenue & Public Investment

Fare revenue reached **\$3,289,697.46**, an **18% increase**, continuing an upward trend driven by increased passenger and vehicle traffic. **Farebox recovery remained strong at 71%**, signaling sustained progress toward financial normalization. Public investment totaled **\$2,045,142.05**, consisting of **\$250,000 in state funds** and **\$1,795,142.05 in federal funds**. This funding supported vessel maintenance, staffing stability, and long-term operational readiness as demand continued to grow.

Community Programs & Cost Saving

Community-focused travel programs remained an important component of ferry operations. Medical travel assistance totaled **\$149,688**, supporting access to healthcare services for island residents. VA travel assistance **totalled \$47,744.52**, ensuring access to federally supported medical care.

These programs helped reduce financial barriers to essential travel while maintaining affordability and access as overall travel demand increased.

Looking Forward

The 2022 operating year represented a meaningful milestone in the IFA's post-pandemic recovery. Increased ridership, strong farebox recovery, and near-perfect service completion reflect a system that has regained stability and reliability. As travel activity continued to normalize, the ferry remained a foundational transportation asset.



**\$116.15 IN ECONOMIC
ACTIVITY PER \$1 OF
STATE INVESTMENT**



**\$29M IN ECONOMIC
VALUE**



**\$2.04M IN STATE AND
FEDERAL INVESTMENT**



**71% FAREBOX
RECOVERY**



\$3.28M IN FARES



**45,611
PASSENGERS**



10,400 VEHICLES



718 SAILINGS



**\$317,705.58 IN
SCHOOL TRAVEL
SAVINGS**

2023 ECONOMIC IMPACT SUMMARY

SUSTAINED DEMAND & OPERATIONAL RELIABILITY



Service performance in 2023 demonstrated a mature and stable operating environment for the Inter-Island Ferry Authority. Passenger and vehicle volumes remained strong throughout the year, reinforcing the ferry's role as essential infrastructure supporting daily travel, commerce, and workforce mobility across Southeast Alaska. This performance reflects a system operating at sustained high utilization, reinforcing the importance of long-term stability and infrastructure readiness.

Service & Access Provided

Passenger volumes reached their highest level of the four-year period, with **49,997 passengers** transported, a 131% increase from 2020. This total included 36,524 adults, 3,261 children, 702 infants, and 8,510 seniors, reflecting the sustained growth across nearly all passenger categories and continued reliance on the ferry by residents, families and older travelers. Vehicle traffic also increased, with **11,366 vehicles** transported during the year. This sustained demand reflects a normalization of ferry use as a primary transportation option rather than a temporary rebound

Economic Value Generated

Ferry-enabled activity generated **\$10,150,113.44 in direct spending** and **\$19,144,228.33 in indirect and induced effects**, resulting in a **total economic value of \$29,294,341.77**.

With stable farebox recovery and reduced reliance on public subsidy, economic output in 2023 illustrates a transportation system operating efficiently at a scale that now represents baseline demand rather than recovery-related activity. This sustained contribution underscores the ferry's role in supporting regional commerce and household mobility under normalized funding conditions.

Operations & Reliability

Operational reliability remained strong throughout the year. Of 720 scheduled sailings, **700 were completed**, reflecting consistent service delivery across the system. Weather related cancellations totaled 4 sailings, while 14 were cancelled for mechanical reasons. Average onboard passenger counts increased further to **72 passengers per sailing**, demonstrating continued demand. Maintaining this level of sustained demand underscores the importance of continued investment in workforce capacity and vessel readiness.

2023 ECONOMIC IMPACT SUMMARY

Revenue & Public Investment

Total fare revenue reached **\$3,546,511.99**, a 7% increase from the previous year. **Farebox recovery remained steady at 71%**, indicating sustained financial performance.

Public funding totaled **\$1,361,555.66**, consisting entirely of federal funds. **No state operating funds were provided in 2023, despite continued high passenger volumes and the ferry's demonstrated economic contribution to Prince of Wales Island and Southeast Alaska.**

The absence of state operating investment shifted greater reliance to fare revenue and federal support, limiting opportunities to reinvest in long-term system reliance.

Community Programs & Cost Saving

Community-focused travel programs continued to support residents requiring essential transportation. **Medical travel assistance totaled \$164,160**, ensuring continued access to healthcare services. **VA travel assistance totaled \$50,030.50**, supporting eligible veterans for medical care.

These programs helped maintain affordability and access for critical travel needs while overall passenger volumes and revenues remained strong.

Looking Forward

The 2023 operating year reflects a period of operational stability and sustained performance for the IFA. Consistent ridership, strong fare revenue, and reliable service delivery demonstrated a system that has moved beyond recovery into a normalized operational phase.

Workforce & Community Connectivity Impact:

The IFA supports workforce mobility and equipment transport for regional employers while also enabling year-round access to cultural, educational, recreational, and family events. Reliable daily ferry service strengthens social connectivity and supports community life across Prince of Wales Island.



NO STATE INVESTMENT



\$29M IN MEASURED ECONOMIC VALUE



\$1.3M IN FEDERAL INVESTMENT



71% FAREBOX RECOVERY



\$3.54M IN FARES



49,997 PASSENGERS



11,366 VEHICLES



700 SAILINGS



\$455,200 IN SCHOOL TRAVEL SAVINGS

2024 ECONOMIC IMPACT SUMMARY

OPERATING AT SCALE & PLANNING FORWARD

In 2024, the IFA operated at sustained, high utilization within a financially constrained and forward looking environment. With sustained demand for ferry services and limited predictability in public funding, the year was defined by planning for long-term system needs, while balancing operational costs, service reliability, and affordability for residents.

Service & Access Provided

The ferry transported **46,803 passengers** during the year, reflecting continued high utilization of the system, despite a 6% decrease in passengers. This total included 33,374 adults, 3,867 children, 605 infants, and 8,957 seniors, demonstrating strong and sustained reliance on ferry service.

Vehicle travel remained robust, with **10,828 vehicles** transported. This level of vehicle movement continued to support personal travel, freight activity, and access to essential goods and services.

Economic Value Generated

Ferry operations and ferry-enabled travel generated **\$12,689,632.14 in direct spending** across the regional economy. This activity produced an additional **\$20,790,387.40 in indirect spending and induced economic effects, resulting in a total economic value of \$33,480,019.54**. For every \$1.00 of public funding invested, the ferry generated **\$133.92 in economic return**.

Operations & Reliability

Operational performance remained strong throughout the year. Of 720 scheduled sailings, **716 were completed**, reflecting consistent service delivery. Weather-related cancellations totaled 4 sailings, while no sailings were cancelled for mechanical reasons. Average onboard passenger counts remained high at **67 passengers per sailing**, indicating a sustained demand across the service year.



2024 ECONOMIC IMPACT SUMMARY

Revenue & Public Investment

Total fare revenue **decreased to \$3,054,847.76** compared to the prior year. In July, a fare increase was deemed necessary to help offset rising operational costs. **Farebox recovery for the year was 51%** decreasing 20%.

Public funding totaled **\$1,194,364.92**, consisting of **\$250,000 in state funds** and **\$944,364.92 in federal funds**. While state support returned after an absence in 2023, overall public investment remained modest relative to the system's demonstrated economic impact.

The need to raise fares underscores the financial pressure placed on ferry operations, when funding does not keep pace with demand, operating costs, and long-term maintenance needs.

Community Programs & Cost Saving

Community benefit programs continued to support essential travel needs. Medical travel assistance totaled **\$151,680**, and VA travel assistance totaled **\$63,311.50**, ensuring continued access to healthcare services for residents and veterans. These programs helped mitigate the impact of fare increases for individuals requiring frequent or essential travel.

Looking Forward

The 2024 operating year reflects a system operating at scale, generating substantial economic value while navigating funding constraints. Strong ridership, and economic return demonstrate the Inter-Island Ferry Authority's importance to Southeast Alaska's economy. Looking ahead, increased and reliable state investment will be critical to reducing cost pressure on riders, strengthening service resilience, and supporting the long-term transportation needs of Prince of Wales Island and the surrounding region.

Reliable ferry service enables high-volume, time-sensitive freight movement that would otherwise be cost-prohibitive via air transport, supporting operational continuity and market access for island-based producers.



\$113.92 IN ECONOMIC
ACTIVITY PER \$1 OF
STATE INVESTMENT



\$33.4M IN MEASURED
ECONOMIC VALUE



\$1.1M IN STATE AND
FEDERAL INVESTMENT



51% FAREBOX
RECOVERY



\$3.05M IN FARES



46,803
PASSENGERS



10,828 VEHICLES



716 SAILINGS



\$441,263 IN SCHOOL
TRAVEL SAVINGS



COMMUNITY PROGRAMS



Beyond system-wide performance, the IFA administers targeted fare programs that reduce barriers to essential travel for residents of Prince of Wales Island and surrounding communities. These programs support access to healthcare, education, employment, and community connection, while ensuring the ferry system remains equitable and accessible for populations with limited transportation alternatives. The following sections summarize the purpose, scope, eligibility, and community value of key fare programs and service categories administered by the IFA.

ADCOMP

The IFA administers an Advertising and Complimentary (AdComp) travel program as part of its broader commitment to community support and public service. This program allows the IFA to provide complimentary ferry travel in place of monetary donations, ensuring that assistance is delivered in a way that aligns directly with the IFA’s transportation mission.

AdComp travel is commonly used to support community fundraisers, nonprofit initiatives, educational programs, and public-interest events. By providing ferry travel as a donation or exchange, the program helps organizations raise funds, increase participation, and reduce transportation barriers for residents and volunteers. This approach ensures that support remains local, practical, and directly beneficial to island communities.

In addition to community-based initiatives, AdComp travel is used in limited and clearly defined circumstances to respond to exceptional public needs. This includes travel associated with emergency response, public support activities, and situations involving hardship or sensitive circumstances, such as the transport of deceased individuals. These uses reflect the ferry’s role not only as a transportation provider, but also as a community-serving public asset.

By delivering support through transportation services rather than cash donations, the AdComp program allows the IFA to balance fiscal responsibility with community stewardship. The program strengthens local organizations, supports essential public functions, and reinforces the ferry system’s role as an integral part of daily life and community well-being throughout the region.

The total value of AdComp travel provided by year reflects a steady increase in community utilization:

- **2020:** \$2,196
- **2021:** \$2,900
- **2022:** \$4,845
- **2023:** \$4,880
- **2024:** \$7,163

“THE IFA HAS ALLOWED KETCHIKAN COMMUNITY CATS PROGRAM TO GET NEEDED DOG AND CAT FOOD AND SUPPLIES TO PRINCE OF WALES ISLAND COMMUNITIES FOR THE FREE PET FOOD PANTRY PROGRAM AND TO TRANSPORT DOGS TO AND FROM KETCHIKAN FOR VETERINARY CARE.”
- MARGARET HELPER-CLOUD, KETCHIKAN COMMUNITY CATS PROGRAM

Across the five-year period, AdComp travel supported **dozens of distinct organizations and initiatives**, spanning multiple sectors and communities. Supported activities included:

- **Youth, schools, and athletic programs:** such as Craig High School Project Graduation, Red Tide Wrestlers, Ketchikan Ocean Sciences Team, POW Native Youth Olympics, Volleyball Teams, and Basketball Teams.
- **Health related initiatives:** including POW Cancer Coalition, emergency medical fundraisers, First City Council on Cancer Auctions, Good Fix Spay/Neuter Clinic, and regional health organizations.
- **Public safety and emergency initiatives:** including fire departments, EMS fundraisers, and emergency response-related activities.
- **Civic, cultural, and economic activities:** such as Chamber of Commerce events, POW Chamber Tradeshow, Coffman Cove Arts & Seafood Festival, POW Marathon, and the City of Craig 4th of July.
- **Community support efforts:** including Friends of Thorne Bay Library, Community Connections foster care recruitment, KCA Veteran’s dinner, and family fundraisers.

These activities occurred across Prince of Wales Island communities, as well as regional hubs such as Ketchikan, demonstrating the ferry’s role in supporting both local and regional partners.

Community Value Delivered

While modest in dollar value to total ferry operations, AdComp travel delivers concentrated social and economic benefits. For many recipients, ferry access enables participation that would otherwise be limited by geography or cost. In fundraising contexts, donated travel often serves as a high-value raffle or auction item that increases engagement and local fundraising success.

AdComp travel represents a targeted form of community reinvestment embedded within ferry operations. Its growth over time reflects both increasing community need and the continued importance of affordable transportation in sustaining civic life across Southeast Alaska.

BODY TRANSPORTATION ASSISTANCE

The IFA provides body transport assistance in recognition of the unique challenges faced by residents of Prince of Wales Island. In a region where geographic isolation can significantly increase both logistical complexity and financial burden, this program is intended to reduce hardship for families during times of loss.

Body transport assistance allows for the one-way transportation of deceased individuals by ferry, including a vehicle and driver, ensuring families can access necessary services beyond the island without additional transportation costs. This support helps ease the immediate financial and emotional strain associated with final arrangements, particularly when travel to Ketchikan or other regional centers is required.

While the number of instances is limited, the importance of this program is substantial. For affected families, ferry access during these moments is not discretionary, it is essential. By providing this assistance, the IFA ensures that residents are not further burdened by transportation costs during periods of grief and transition.

Community Value

Body transport assistance represents one of the most sensitive human-centered services provided by the IFA. Although modest in scale, its impact is profound. The program reflects the understanding that transportation infrastructure in remote communities must serve not only economic and operational needs, but also moments of deep personal significance. This assistance underscores the ferry's role as more than a transit service. It is a vital public resource that supports dignity, compassion, and community care, particularly in circumstances where alternatives are limited or unavailable.

Between 2020 and 2024, body transport assistance was used consistently, though sparingly, reflecting both the sensitive nature of the service and the limited alternatives available to island residents.

2020: 14 Transports \$525.00
2021: 22 Transports \$800.73
2022: 10 Transports \$202.00
2023: 8 Transports \$363.00
2024: 8 Transports \$161.00

Each of these transports represents a family who lost a loved one and a community member whose absence is felt across the island. In small, interconnected communities, loss is not isolated, it touches neighbors, coworkers, schools, and extended families. While the program's financial footprint is modest, its human significance is profound.

Role Within the Broader System

As with other targeted assistance programs, the ability to continue providing body transport support depends on the overall financial stability of the ferry system. Sustained public investment ensures that essential, non-revenue services such as this remain available without shifting costs onto families during their most difficult moments.

In small, interconnected island communities, ferry service extends beyond transportation alone. Consistent staffing, local knowledge, and continuity of service contribute to a travel environment where passengers—particularly seniors, families, and those traveling during times of loss—receive care, dignity, and assistance that cannot be replicated through alternative transportation options.

DISABILITY DISCOUNT PROGRAM

The IFA offers a disability discount to reduce the cost of ferry travel for residents with qualifying disabilities. In a region where ferry travel is often required to access off-island services, the program provides a predictable and consistent fare reduction for passengers who may need to travel more frequently than the general population.

Between 2020 and 2024, use of the disability discount increased overall, tracking closely with broader ridership growth and reflecting steady demand for reduced-fare travel.

2020: 57 discounted trips | \$4,531.97
2021: 89 discounted trips | \$5,597.35
2022: 104 discounted trips | \$7,017.00
2023: 124 discounted trips | \$8,939.50
2024: 102 discounted trips | \$6,584.32

The highest level of use occurred in 2023, with more than double the number of discounted trips compared to 2020. While usage declined slightly in 2024, the program continued to account for over 100 discounted passenger trips during the year.

The disability discount provides a consistent and predictable cost reduction for qualifying riders, helping ensure fare stability for individuals who rely on ferry service for routine and essential travel. The program recognizes that some passengers require additional support to travel safely. Where applicable, escort authorization allows individuals to travel with necessary assistance, reinforcing safe and reliable access without creating additional administrative burden.

The Inter-Island Ferry Authority recognizes that passengers may experience limited mobility for a variety of reasons and works to accommodate accessibility needs during travel to the extent possible within ferry operations.

While the disability discount represents a modest share of overall fare revenue, it serves a defined and recurring group of riders with ongoing transportation needs. Maintaining this program depends on the overall financial health of the ferry system. Stable public funding enables the IFA to continue offering reduced fares without shifting additional costs onto passengers who already face higher and more frequent travel requirements.

SCHOOL/YOUTH GROUP DISCOUNT

Southeast Alaskan students regularly rely on ferry travel to participate in sports, academic competitions, music programs, and other educational activities that require travel beyond their home communities. In a region where air travel is costly and often the only alternative, ferry access provides a practical and affordable transportation option that makes participation possible for schools across Prince of Wales Island and the surrounding region. The Inter-Island Ferry Authority is honored to provide school districts and youth groups a 20% discount.

Without access to discounted ferry travel, the cost of flying students and chaperones to and from regional hubs would make participation in many programs financially unfeasible for school districts.

Program Use & Cost Savings (2020–2024)

Between 2020 and 2024, school district use of ferry travel increased steadily as student activities resumed following the pandemic.

- 2020: **1,283 students** traveled by ferry, saving schools over **\$178,00 instead of flying**. On average, schools saved \$139.40 per student.
- 2021: Student travel increased to **1,389 students**, saving over **\$169,000 with ferry discounts** and by avoiding airfare. **Per student savings was \$122.**
- 2022: Usage rose sharply to **2,536 students** saving more than **\$317,000 by using ferry** travel instead of flying. Student savings were \$125.00.
- 2023: **3,464 students** traveled using the program avoiding over **\$414,000** in airfare costs. Schools saved \$131.00 per student.
- 2024: **2,759 students** utilized the school discount program, saving more than **\$441,000 by choosing ferry** service instead of flying. Each student saved an average of \$159.00.

Five-Year Impact

Over the full five-year period:

- **12 school districts** transported 11,431 students and chaperones
- Combined ferry discounts and avoided airfare costs exceeded **\$954,000 in savings**

Community & Educational Value

School district travel represents a recurring and predictable category of discounted ferry use. By reducing transportation costs, the program allows districts to direct limited resources toward instruction, programming, and student opportunities rather than travel expenses.

Affordable ferry access plays a critical role in maintaining equitable educational opportunities for Alaska's youth—particularly in remote island communities where alternatives are limited and costs are high.

MO BAILEY HIGHLY RURAL TRANSPORTATION GRANT

Veterans living on Prince of Wales Island often must travel beyond their home communities to access Veterans Administration medical services. In a region where local healthcare options are limited and geographic isolation increases both cost and complexity, ferry transportation plays a critical role in connecting veterans to essential medical appointments and services. From 2020 through 2024, VA-supported ferry travel remained a consistent and structured component of Inter-Island Ferry Authority operations through the **Maurice (Mo) Bailey Highly Rural Transportation Grant**, which supports rural veterans' healthcare access.

Program Utilization & Funding Constraints

Each year, the program receives an annual allocation of \$50,000, and the full amount is expended prior to the end of the grant period, reflecting sustained and predictable demand for VA-supported ferry travel. Once grant funds are exhausted, additional veterans requiring transportation assistance must be served without grant support, limiting the number of trips that can be accommodated and creating a gap between healthcare access needs and available funding.

Veterans Served by Year

- 2020: 179 veterans served | \$48,871.79
- 2021: 243 veterans served | \$53,499.87
- 2022: 202 veterans served | \$47,744.52
- 2023: 203 veterans served | \$50,030.50
- 2024: 166 veterans served | \$63,311.50

Across the five-year period, hundreds of veterans relied on ferry transportation to access medical care that would otherwise be difficult or impossible to reach.

Grant Timing Clarification

Veterans Administration transportation funding operates on a grant year running from September 15 through September 14, rather than a calendar year. As a result, the \$50,000 annual allocation may appear to overlap across calendar years in this report, which is structured on a January–December basis.

Community & Healthcare Impact

This program provides a targeted and efficient use of federal funds to support healthcare access for veterans living in highly rural communities. Ferry-based transportation reduces logistical barriers, limits out-of-pocket costs, and ensures continuity of care for veterans who would otherwise face significant travel challenges. Sustained or expanded funding would allow the program to more fully meet demand and ensure that access to medical care is not constrained by transportation limitations.



SUPPORTING A SKILLED MARITIME WORKFORCE



The Inter-Island Ferry Authority's ability to provide safe, reliable service depends on a skilled and stable workforce. In a rural island environment with a limited labor pool, employee recruitment, retention, and training are critical operational factors. Ferry operations support year-round employment opportunities while sustaining institutional knowledge essential to maritime safety, regulatory compliance, and service reliability.

EMPLOYEE STATISTICS & WORKFORCE IMPACT 2020-2024

Between 2020 and 2024, the IFA maintained a stable and experienced workforce essential to the continued operation of ferry system. Ferry operations required trained maritime personnel, terminal staff, and administrative support to ensure safety, regulatory compliance, and reliable service delivery in remote island environments. Throughout this five-year period, the IFA workforce supported uninterrupted core service while adapting to changing travel demand, public health requirements, and fluctuating funding conditions.

Employment Levels & Payroll Investment

From 2020 through 2024, the IFA employed between 35 and 45 employees annually, reflecting the year-round operational needs of the ferry system and the importance of workforce continuity in safety-critical roles.



Across the five-year period, the IFA invested over **\$11.6 million** in wages, taxes, and employee benefits, representing a significant and consistent contribution to the regional economy.

Workforce Growth & Cost Pressures

While overall employment levels remained relatively stable, total payroll costs increased notably in 2024. This increase reflects a combination of:

- Higher staffing levels needed to support sustained service demands
- Rising labor costs
- Competitive compensation required to recruit and retain qualified maritime and operational staff in a limited labor market

These trends mirror broader workforce challenges faced by transportation providers across Alaska and underscore the importance of predictable public investment to maintain staffing stability.

Local Employment Impact

The IFA workforce is primarily drawn from **Prince of Wales Island and Ketchikan**, providing stable year-round employment in a region with limited job opportunities. Payroll spending supports: household income for island residents, local spending on housing, goods, and services, reduced reliance on outside labor markets.

By employing local residents, the ferry system strengthens community resilience while ensuring staff possess local knowledge of routes, weather conditions, and community travel needs.

A SYSTEM THAT DELIVERS VALUE & REQUIRES STEWARDSHIP

From 2020 through 2024, the IFA demonstrated the essential role that reliable transportation plays in sustaining communities, supporting economic activity, and ensuring access to critical services across Prince of Wales Island and Southern Southeast Alaska.

Over this five year period, the ferry system operated through unprecedented disruption, recovery, and sustained high demand. Throughout these shifts, the IFA maintained continuous service, supported workforce mobility, enabled access to healthcare and education, and generated sustained economic value for the region.

The data presented in this report reflects the transportation system operating at scale. Passenger and vehicle volumes have stabilized at high levels, service reliability has remained strong, and economic returns on public investment have been significant. At the same time, rising operational costs, workforce pressures, and aging infrastructure underscore the importance of long-term planning and predictable funding.

Beyond economic performance, the IFA functions as a public asset embedded in daily life. Community programs, targeted fare assistance, and essential services reflect the realities of living in a remote island region where transportation is not discretionary, it is foundational.

The IFA's experience illustrates a central truth: transportation infrastructure is not static. Sustaining safe, reliable ferry service requires ongoing stewardship, investment in people and vessels, and policy decisions that recognize both current demand and future needs.

As POW and Southeast continue to grow and evolve, the ferry system will remain a cornerstone of regional connectivity; supporting residents, businesses, and communities while delivering measurable public value for every dollar invested. Reliable transportation is not just an economic input, it is a public necessity that shapes opportunity, access, and resilience across island communities.

In 2026, the IFA marks the **24th anniversary of its first sailing**, a milestone that reflects more than two decades of continuous service to POW. As the anniversary was recognized, passengers and community members shared their own reflections on what the ferry has meant to them over the last 24 years. Their comments, spanning generations, communities, and life events, underscore the IFA's enduring role not just as a transportation system, but as a shared public resource woven into daily life.



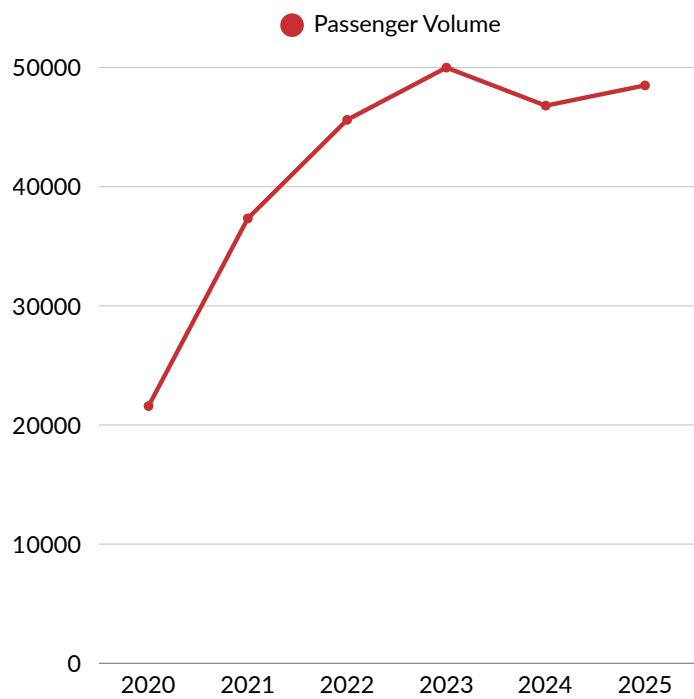
Scan to read community reflections celebrating 24 years of service



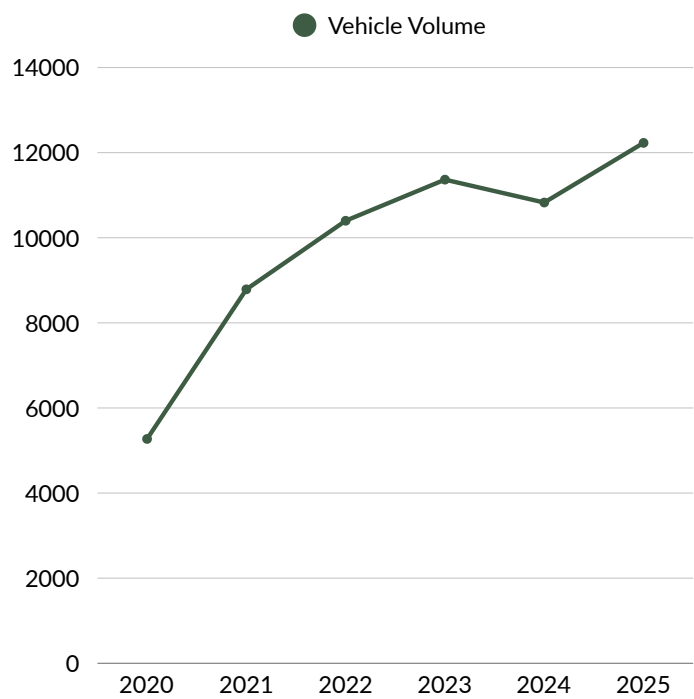


APPENDIX A: GRAPHS

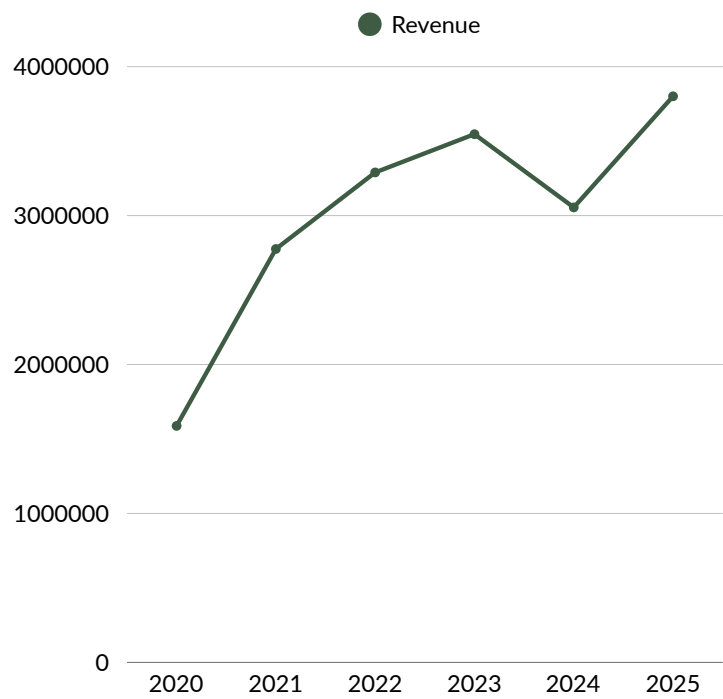
Passenger Volume Over Time 2020-2025



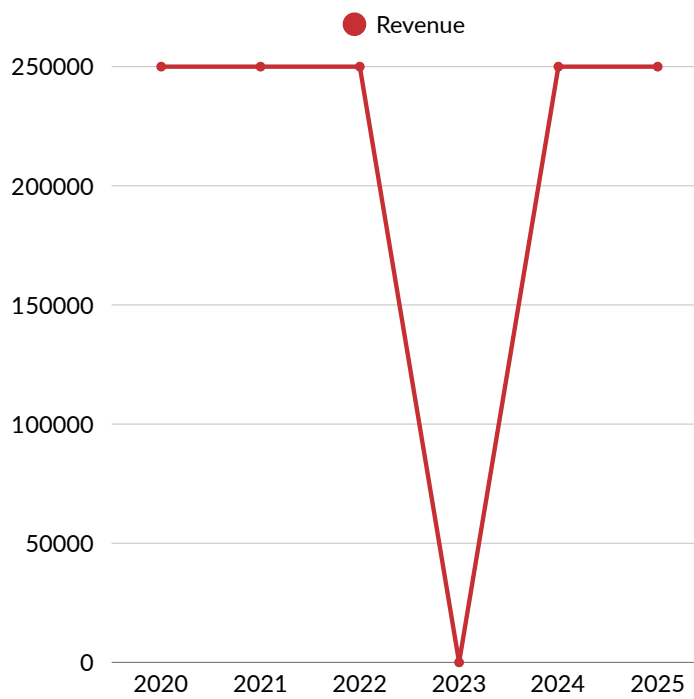
Vehicle Volume Over Time 2020-2025



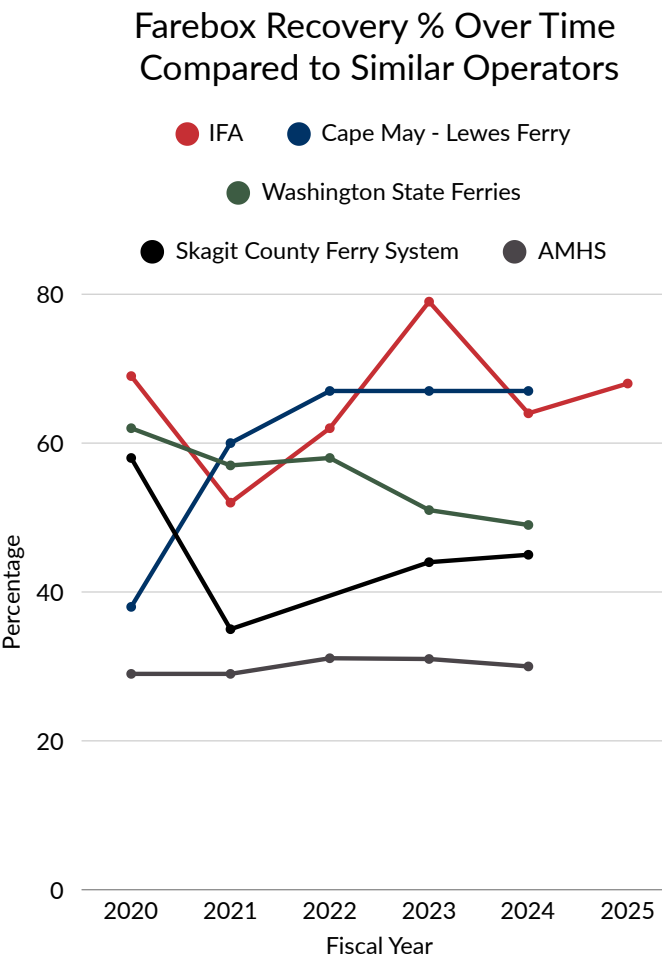
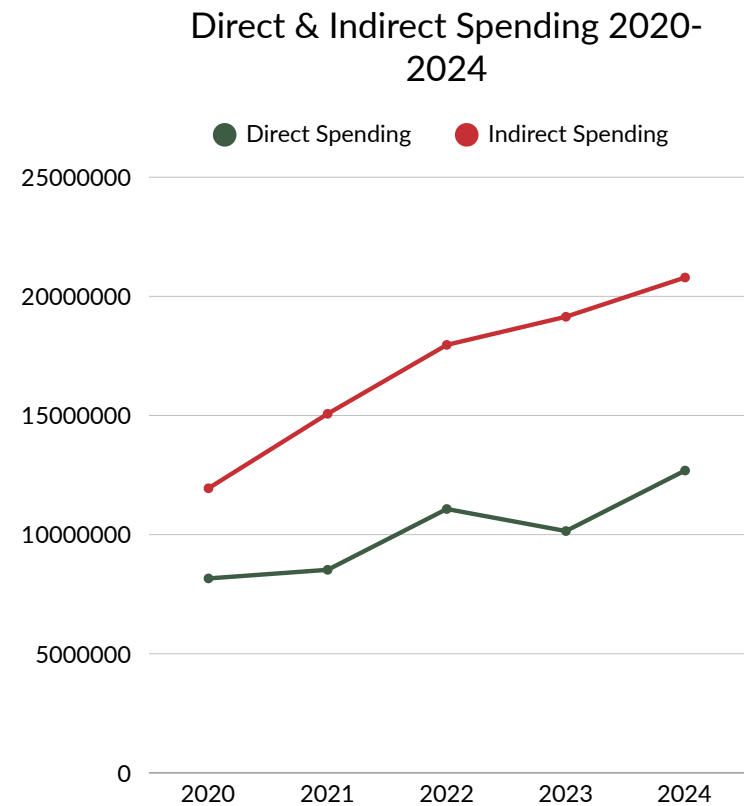
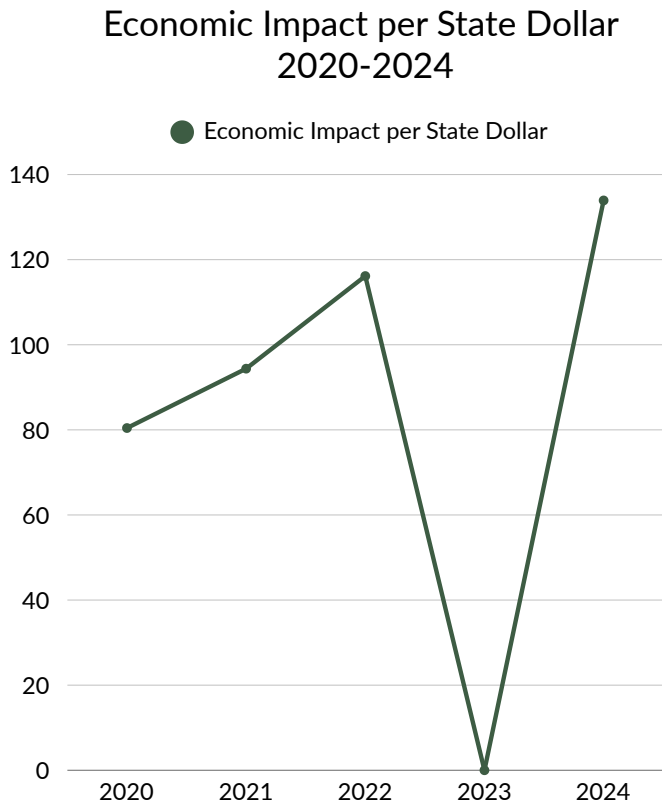
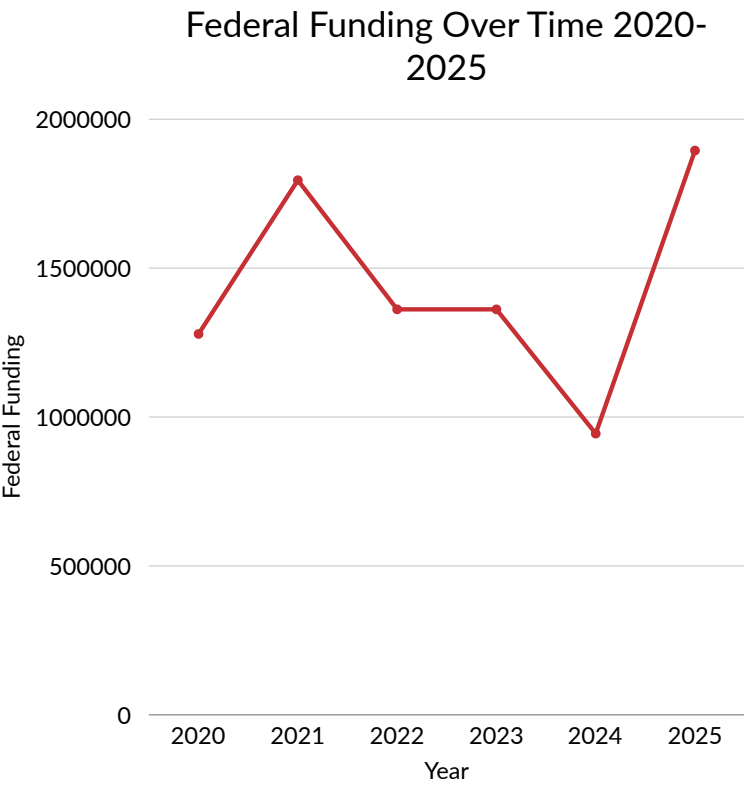
Revenue Over Time 2020-2025



State Funding Over Time



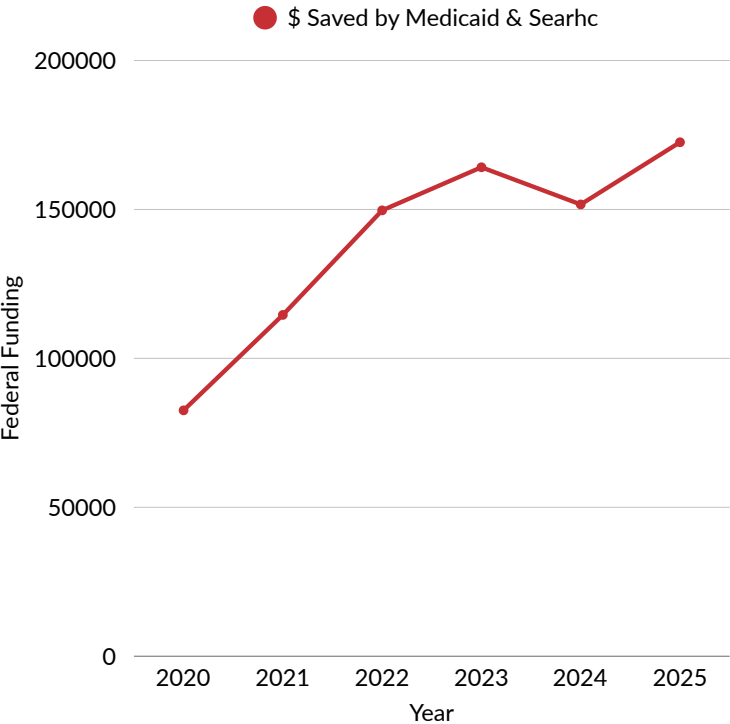
APPENDIX A: GRAPHS



Other operators used FY for their Farebox Recovery, data in this graph was adjusted to match.

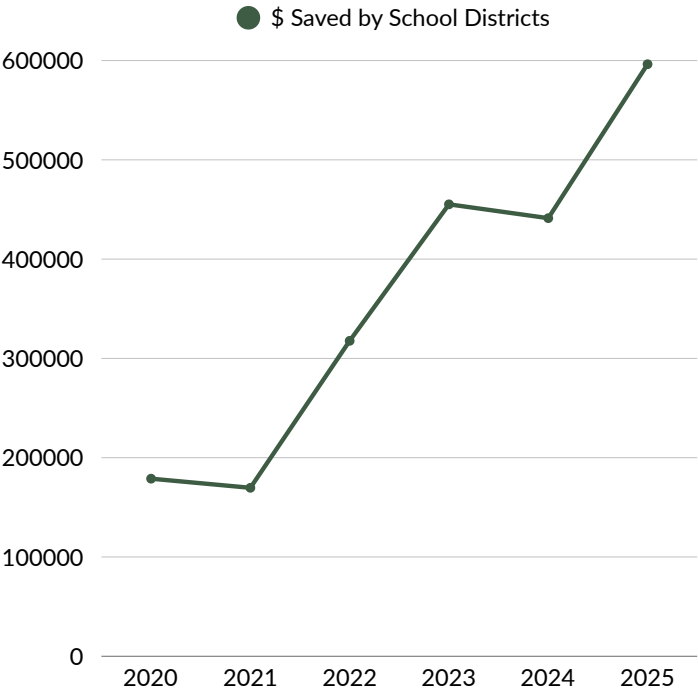
APPENDIX A: GRAPHS

Medical Travel Savings 2020-2025



Total School Savings 2020-2025

Including \$ saved versus flying



Payroll, Benefits Provided to Employees 2020-2025



APPENDIX B: METHODOLOGY

This appendix outlines the data sources, assumptions, and calculation methods used to prepare the IFA Economic Impact Assessment covering the 2020-2024 period. The methodology is intended to provide transparency and consistency while presenting economic impacts in a manner appropriate for policy review and public understanding.

The analysis draws on the following primary data sources:

- IFA internal records, including:
 - Passenger & vehicle counts
 - Sailing schedules and completion records
 - Fare revenue and farebox recovery data
 - Payroll, benefits, and employment records
 - Community program usage (school travel, medical travel, VA travel, disability discounts, AdComp travel, and body transportation assistance)
- State and federal funding records, including:
 - Operating and capital support allocations
 - Federal grant funding related to transportation and rural healthcare access
- Regional economic multipliers commonly applied in Alaska economic impact studies to estimate indirect and induced effects of transportation-related spending.

All internal data reflects calendar-year totals unless otherwise noted.

This report evaluates IFA operations over a five-year period (2020-2024) using a calendar year reporting structure (January-December).

Certain funding programs operate on non-calendar grant cycles. Where applicable, explanatory notes are provided within the report to clarify timing differences between grant years and calendar-year reporting.

Economic Impact Methodology

Economic impact estimates include three components:

1. Direct Effects
 - a. Direct effects represent spending and activity directly associated with ferry operations and ferry-enabled travel. This includes:
 - i. Fare revenue
 - ii. Payroll & benefits
 - iii. Ferry-enabled passenger & vehicle spending
2. Indirect Effects
 - a. Indirect effects estimate secondary economic activity generated when ferry-related spending circulates through multipliers and service providers within the regional economy.
3. Induced Effects
 - a. Induced effects reflect household spending supported by wages paid to employees and businesses benefiting from ferry-related activity.

Indirect and induced effects were calculated using standard regional multipliers appropriate for Southeast Alaska, consistent with methodologies used in comparable transportation and infrastructure studies. A large portion of the IFA's previous years indirect and induced effects was seafood, unfortunately for 2020-2024 not enough data was available at the time of printing to be included in this report.

Return on Public Investment

Return on public investment figures were calculated by comparing total estimated economic value generated and total state funding received for each year. Return ratios are presented as estimates intended to illustrate scale and relative impact not precise accounting values.

Employment & Payroll Analysis

Employment figures reflect total IFA employees by calendar year, including vessel crew, terminal staff and administrative personnel. Payroll figures include: wages, taxes, and employee benefits. Employment impacts are presented descriptively rather than as modeled economic multipliers to avoid overstating workforce-related effects.

Community Program Analysis

Community and discounted travel programs were evaluated using: usage counts, foregone fare value, and documented savings relative to alternative transportation options where applicable. These programs are described qualitatively and quantitatively to reflect their role in improving access to essential services rather than maximizing revenue.

Limitations & Considerations

This assessment is intended to provide a reasonable and transparent estimate of economic and community impacts associated with ferry operations. As with all economic impact analyses:

- Results are sensitive to assumptions related to spending patterns and multipliers
- Some secondary effects cannot be directly observed and estimated
- Figures should be interpreted as indicative of scale rather than exact values.

The methodology to allow for meaningful trend comparison.

Use of Report

This Economic Impact Assessment is designated to inform policy makers and funding partners, community stakeholders, and public understand of ferry system impacts.

It should be used as a decision-support tool rather than a predictive or auditing instrument.

APPENDIX C: WORDS OF SUPPORT FROM THE COMMUNITY

"Let me say that the crew on the ferry is awesome! Very thorough teammates who look out for one another and passengers as well.

They have a tough & stressful job but they make it seem so effortless. I'm thankful for the knowledge they use when parking big cars and trucks and weird looking vehicles packed with a person's life who is moving to or from the island... they know how to maneuver things to get the weight balanced just right so the boat runs smoothly. All of the crew I've ever seen on board the IFA and the Stikine, take their jobs seriously & that is appreciated.

Some of those guys and gals have big big hearts to take care of elders and make sure they don't fall, they make sure they keep the little kids safe in choppy waters... they're not a babysitter of course but they know how to handle the kids with good correction when need be. I will always be thankful for when those guys all helped take care of my Mama when I wasn't able to go to a doctors appointment with her. They would "baby her" and mama always said "She got spoiled by those good looking ferry guys" I never had a worry when Mama was on board without me (my sister sometimes had to go with her) because everybody always took care of Mama. How many people do you know would go above and beyond their job when they see a special senior citizen or a Mom or Dad needing a little extra help with the kids? You don't see that too often nowadays so for the ferry crew, I will always be grateful!

When Mama passed away in April of 2022, the guys and gals all sent loving kind words for me and my sister. It meant the world to us! ... So all of this is to say, THANK YOU TO WHOMEVER IS KEEPING THE INTER ISLAND FERRY GOING EVERYDAY! (Except on the special holidays)!

Without our ferry? My goodness sakes! This island would be lost in chaos! NOBODY would have a clue of what to do! So please keep us up and running! We can't afford to not have the IFA!!!

I love and appreciate each and every person that has to do with the IFA!!! Never forget how important you all are to me and my family!!!" - Wanda Frazier, Prince of Wales Island Resident

"Sealaska Corporation Natural Resource Department is writing this letter in support of Inter-Island Ferry Authority. The IFA ferry serves as a primary means of connecting Prince of Wales Island to Ketchikan and elsewhere. This is key to residents, businesses in various sectors and visitors to have year-round daily service. The Sealaska NR Department can depend on IFA to move our employees and company equipment to and from job locations. This service allows many of our community members a safe and efficient way to travel for basketball games, totem pole raisings, training, college fairs, celebrations and funerals. The ferry connection has the power to connect residents to family, friends and recreation." - Jason Gubatayao, General Manager, Natural Resources Department, Sealaska

"Our Seafood business would not be possible without the IFA. For the last 20 years we have relied heavily on the dependable ferry service. As our business continues to grow, we have increased our reliance on the IFA to 30% of the yearly sailings. Our business services approximately 40 fishing boats that deliver product to Craig. We ship truckloads of fresh fish daily during the spring and summer months. Without the ferry service we could not function in our current capacity which would not only affect our business but also the local fishing fleet that needs a place to sell their product. It is not financially feasible to fly product off the island and also not possible due to the volume of product.

Additionally, we appreciate the great customer service that we receive from the staff and their willingness to accommodate our often unpredictable sailings." - Ken Quigley, Seaborn Seafoods LLC

IFA MISSION STATEMENT

The Inter-Island Ferry Authority is a marine Port Authority whose mission it is to improve the quality of life for residents of participating communities in Southern Southeast Alaska by:

- The development and delivery of comfortable, safe, and reliable year-round marine transportation to individual, commercial, and recreational passengers, and their vehicles from Prince of Wales Island to other economically feasible ports in SE Alaska.
- To organize, staff, and maintain facilities and vessels which provide quality customer service to all of our passengers.
- Ensure that the IFA service continues as a financial secure and efficient operation with the best interest of our communities, and employees as our priorities.
- To provide our employees with a stable and rewarding workplace.

RELIABLE TRANSPORTATION. PUBLIC VALUE. COMMUNITY CONNECTION.



Inter-Island Ferry Authority



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Questions?

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