

State of Alaska FY2005 Governor's Operating Budget

Department of Transportation/Public Facilities Overhaul Component Budget Summary

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Component: Overhaul

Contribution to Department's Mission

Overhaul all vessels of the Alaska Marine Highway System (AMHS) annually in order to maintain the fleet at a safe, efficient level of operation.

Core Services

AMHS vessels are required to be inspected and have maintenance performed according to regulatory requirements of the U.S. Coast Guard (USCG), the American Bureau of Shipping (ABS), and state vessel maintenance policies. A period of time (normally six weeks) called the overhaul period is set aside each year to accomplish these tasks at a shipyard. At the end of the overhaul period, the vessel undergoes a detailed USCG inspection. Passing this rigorous inspection results in a Certificate of Inspection (COI), which permits the vessel to operate for the following year. Unannounced, quarterly USCG re-inspections under the COI ensure that we continue to operate and maintain vessel mechanical systems and safety equipment to high standards.

Work accomplished during the overhaul period includes dry-docking, hull inspections, fire and lifesaving inspections, repairs, cleaning, painting, and machinery reconditioning. The overhaul component provides the supporting services and goods associated with major shipyard work conducted through the capital budget. They include:

- Fire system inspections
- Liferaft repacking
- Evacuation chute repacking
- Propulsion system technicians
- Hull cathodic protection system technicians
- Equipment rentals
- Ship stores used during the overhaul period
- Supplies and parts used during the overhaul period
- Travel costs of vessel crew performing overhaul work

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$1,698,400	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

Bringing three new vessels on line and into scheduled service over the next 18 months will be a significant challenge. The two new fast vehicle ferries in particular will have numerous unique systems and equipment requiring new sources of technical support. While these vessels will be under warranty for 18 months, periodic recertifications of safety equipment and the cost of ship stores and routine consumable parts must be funded out of the overhaul and operating budgets. With much reduced vessel operating crews and crew hours, it is expected that we will depend on contracted technical support to assist with those tasks for which onboard or within AMHS skill and experience is not be available.

A continuing challenge is to perform all overhaul work related to safety and reliability while minimizing and deferring non-essential repairs and preservation as long as possible.

Significant Changes in Results to be Delivered in FY2005

No change in service level for FY2005.

Major Component Accomplishments in 2003

- Completed timely and effective overhaul periods for all nine vessels within available funds.
- Achieved Certificates of Inspection for all nine vessels.
- Procured and installed the Automated Information Systems (AIS) in eight AMHS vessels ahead of the July 1, 2003 USCG deadline. These mandated installations improve vessel security and provide real time vessel identification and own ship course and speed information to other vessels and monitoring stations having the AIS capability.

Statutory and Regulatory Authority

AS 19

AS 44

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**Overhaul
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	274.1	710.0	710.0
73000 Contractual	749.3	370.0	370.0
74000 Supplies	605.9	618.4	618.4
75000 Equipment	69.1	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,698.4	1,698.4	1,698.4
Funding Sources:			
1076 Marine Highway System Fund	1,698.4	1,698.4	1,698.4
Funding Totals	1,698.4	1,698.4	1,698.4

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor***All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	0.0	1,698.4	1,698.4
FY2005 Governor	0.0	0.0	1,698.4	1,698.4