

State of Alaska FY2008 Governor's Operating Budget

Department of Transportation/Public Facilities Overhaul Component Budget Summary

Component: Overhaul

Contribution to Department's Mission

Overhaul all vessels of the Alaska Marine Highway System (AMHS) annually in order to maintain operational readiness of the fleet in a safe, reliable condition and within regulatory guidelines.

Core Services

The 11 vessels of the Alaska Marine Highway System (AMHS) fleet are required to be inspected and maintained according to regulatory requirements of the U.S. Coast Guard (USCG), the American Bureau of Shipping (ABS), U.S. Code of Federal Regulations (CFR), 2000 High Speed Code (HSC), Det Norske Veritas (DNV), Alaska Department of Environmental Conservation (ADEC), and International Safety of Life at Sea (SOLAS), in addition to state vessel maintenance policies. A period of time (normally six weeks for each vessel) is set aside each year to accomplish these tasks or overhauls at a shipyard. At the end of the overhaul period the vessel undergoes a detailed United States Coast Guard (USCG) and/or ABS inspection. Passing this rigorous inspection results in the issuance of a Certificate of Inspection (COI) which permits the vessel to operate for the following year. Unannounced quarterly USCG re-inspections ensure that we continue to operate and maintain vessel mechanical and electrical systems and safety equipment to the standards required for COI and other certifications.

Work accomplished during the overhaul includes dry-docking, hull inspections, fire and lifesaving inspections, repairs, cleaning, painting, and machinery reconditioning. Some of those services are provided through contracts with the private sector. Typical products and contracted services include:

- Fire system and shipboard safety equipment inspections
- Life raft, Marine Evacuation Chute/Slide (MEC-MES), and Means of Rescue (MOR) Platform repacking
- Electronic navigational/communications equipment on site technical support
- Propulsion system on-site technician support
- Hull cathodic protection with on-site technical support
- Ship stores used during the overhaul period
- Supplies and parts used during the overhaul period
- Damaged glass repair, or new installation
- Deck (carpet), upholstery (fabric) recovering tasks
- Recertification of boat davits

FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$1,698,400	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

As anticipated, the new Fast Vehicle Ferries (FVF) vessels have been, and will continue to be a challenge. These vessels have unique systems and equipment that require technical support from vendors and sources not currently under contract with the state. The FVF's (M/V Fairweather and M/V Chenega) and the Metlakatla shuttle ferry (M/V Lituya) will reach the end of their warranty periods in 2006, which will that their operational maintenance costs be financed with funds from this budget component. Because of the conversion to day-boat operations, the vessel operating crews and available crew shipboard maintenance hours have been reduced. It is expected that we will be required to rely on

contracted technical support to assist with those tasks where onboard crews or specific skill and experience is not available. Furthermore the construction of a required High Speed Craft (HSC Chapter 19) Maintenance Facility will be very challenging, because of the limited resources (engineering firms-construction companies) in Ketchikan, Alaska.

A continuing challenge has been to perform all overhaul work related to safety and reliability while minimizing and deferring non-essential repairs and preservation as long as possible. Costs associated with deferring long-term maintenance have begun to mount. Neglect of interior hull coatings has led to expensive steel deck and bulkhead replacements and repairs. Increased scrutiny by regulatory agencies on all aspects relating to vessel safety assures that corrosion control will remain a priority.

Meeting ever-stricter safety and environmental standards continues to be challenging. Compliance frequently requires immediate attention to engineering and installation of new equipment which is expensive to purchase and/or costly to maintain, i.e. newly required machinery space, local application fire suppression systems, Voyage Data Recorders (VDRs), Automated Information Systems (AIS), Global Maritime Distress and Safety System (GMDSS), and SOLAS life saving equipment. We have managed to satisfy the Regulatory Agencies (USCG, ABS, DNV) requirements to date, but anticipate major challenges in keeping AMHS Fleet in compliance through 2010.

The AMHS is continually seeking different ways to find efficiencies in how we do business. An Automated Shipboard Maintenance Management System (AMOS) has been implemented in the vessel deck departments to track vessel inspection records and certificates. Vessel maintenance workloads are continually shifted as boat service is realigned to meet customer service needs. A Fleet Survey Program (FSP) is being introduced to identify potential vessel specific regulatory issues before they become operational obstacles.

Significant Changes in Results to be Delivered in FY2008

No significant changes anticipated.

Major Component Accomplishments in 2006

Successfully managed approximately \$4.5 million in overhauls for eleven vessels. The work was accomplished in both the Ketchikan and Seward shipyards.

Completed timely and effective overhaul periods for all AMHS vessels within available funds.

Received Certificates of Inspection for all AMHS vessels.

Selected Marine Engineering Consultants to commence research and accomplish fleet wide work on the following:

- Cargo securing manuals required on a fleet wide basis by USCG;
- SOLAS class vessels survey-identify required work for immediate compliance;
- Stability and damage control support for the entire fleet.

Completed timely and effective overhauls on all AMHS vessels with available funds.

Statutory and Regulatory Authority

AS 19
AS 44

Contact Information

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**Overhaul
Component Financial Summary**

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	179.5	710.0	710.0
73000 Services	477.2	370.0	370.0
74000 Commodities	828.5	618.4	618.4
75000 Capital Outlay	142.1	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,627.3	1,698.4	1,698.4
Funding Sources:			
1076 Marine Highway System Fund	1,627.3	1,698.4	1,698.4
Funding Totals	1,627.3	1,698.4	1,698.4

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	0.0	0.0	1,698.4	1,698.4
FY2008 Governor	0.0	0.0	1,698.4	1,698.4