

**Alaska Marine Highway System - Vessel and Terminal  
Overhaul and Rehabilitation**

**FY2009 Request: \$702,100  
Reference No: 48231**

**AP/AL:** Appropriation

**Project Type:** Construction

**Category:** Transportation

**Location:** Statewide

**Contact:** Jim Beedle

**House District:** Statewide (HD 1-40)

**Contact Phone:** (907)465-6977

**Estimated Project Dates:** 04/19/2009 - 09/30/2011

**Brief Summary and Statement of Need:**

This amends an existing FY2009 project, increasing the FY2009 appropriation to \$10,602,057. Effective January 2009, the Ketchikan Shipyard increased their prices 18.5% to 20% to the Alaska Marine Highway System (AMHS) for state funded maintenance overhauls of AMHS vessels. This cost increase to AMHS will impact six scheduled vessel maintenance overhauls this fiscal year, with a budgeted value of \$3,500,000. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

<b>Funding:</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>Total</b>
Gen Fund	\$702,100						\$702,100
<b>Total:</b>	<b>\$702,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$702,100</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input 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
<u>One-Time Startup:</u>	<u>0</u>	<u>0</u>
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

FY2009- \$9,900,000; FY2008 - \$13,444,500; FY2007 - \$6,000,000; FY2006 - \$5,000,000; FY2005 - \$4,063,000; FY2004 - \$4,930,000; FY2003 - \$5,000,000; FY2002 - \$4,239,365; FY2001 - \$4,200,000; FY2000 - \$4,390,600; FY1999 - \$4,000,000. This has been an annual Capital Program.

**Project Description/Justification:**

The Department of Transportation and Public Facilities contracts with the Ketchikan Shipyard for AMHS vessel maintenance overhauls in accordance with AS 36.90.049, Maintenance of State Marine Vessels.

The last Ketchikan Shipyard cost increase to AMHS was 6.4%, effective January 2006. The shipyard justified the recent substantial price increase to inflation since January 2006 and higher shipyard maintenance costs due to the addition of a second dry-dock, shipyard improvements and expansion projects.

**Impact:** AMHS has six vessels remaining on scheduled annual inspection and overhaul maintenance availability. If this supplemental request is not approved, AMHS will be faced with required scheduled maintenance set backs, jeopardizing vessel safety and regulatory compliance programs. The end result would be vessels receiving less required work and face the possibility of not being operational, negatively impacting transportation and commerce.

