

# **State of Alaska FY2010 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 USCG and/or ABS inspection. Passing this rigorous inspection results in the issuance of a Certificate of Inspection (COI) by the USCG, permitting the vessel to operate for the following year.
- Unannounced quarterly USCG inspections ensure that AMHS 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 period typically includes dry-docking, hull inspections, fire and lifesaving gear and equipment inspections, repairs, cleaning, painting, and machinery reconditioning. Some of those services are provided through contracts with private sector companies.
- Typical products and contracted services include inspections of fire system and shipboard safety equipment, repacking of life rafts, Marine Evacuation Chute/Slides (MEC-MES), and Means of Rescue (MOR) platforms, recertification of boat davits, and technical support of electronic, navigational, communications equipment, propulsion systems, auxiliary machinery, and hull cathodic protection.

### FY2010 Resources Allocated to Achieve Results

**FY2010 Component Budget: \$1,698,400**

**Personnel:**

Full time	0
Part time	0
<b>Total</b>	<b>0</b>

### Key Component Challenges

- As anticipated, the new Fast Vehicle Ferries (FVF) vessels have been, and will continue to be a challenge. The FVF's (M/V Fairweather and M/V Chenega) have unique systems and equipment that require technical support from vendors and sources not currently under contract with the state and are foreign based. For this reason, operational maintenance costs of the FVF's will impact this budget component and challenge the operational readiness of the vessels. Available crew shipboard maintenance hours are limited and it is expected that contracted technical support will be necessary. 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. Regulatory requirements of the USCG, American Bureau of Shipping (ABS), and Det Norske Veritas (DNV) have been satisfied to date, but it is anticipated that there will continue to be major challenges in keeping the AMHS fleet in compliance through 2010.

- The AMHS is continually seeking different ways to find efficiencies in doing business. 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 FY2010

No significant changes anticipated.

## Major Component Accomplishments in 2008

- Successfully managed approximately \$8.5 million in overhauls for 11 vessels. The work was accomplished in both the Ketchikan and Seward shipyards.
- Completed timely and effective overhaul periods for all AMHS vessels.
- Received Certificates of Inspection for all AMHS vessels from USCG-American Bureau of Shipping-Det Norske Veritas (ABS-DNV).
- Selected Marine Engineering Consultants to commence research and accomplish fleet wide work on the following: Perform Corrosion, Electrolysis and Stray Current survey on AMHS Vessels, fleet wide basis. SOLAS class vessels survey-identify required work for immediate compliance. Stability and damage control support for the entire fleet. AMHS Fleet wide survey of Marine Sanitation Device and overboard discharge compliance regulations.
- Completed timely and effective overhauls on all AMHS vessels.

## Statutory and Regulatory Authority

AS 19  
AS 44

### Contact Information

**Contact:** Jim Beedle, Deputy Commissioner, Marine Operations  
**Phone:** (907) 465-6977  
**Fax:** (907) 586-8365  
**E-mail:** James.Beedle@alaska.gov

**Overhaul  
Component Financial Summary**

*All dollars shown in thousands*

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	572.4	600.0	600.0
73000 Services	793.7	670.0	670.0
74000 Commodities	330.2	428.4	428.4
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,696.3</b>	<b>1,698.4</b>	<b>1,698.4</b>
<b>Funding Sources:</b>			
1076 Marine Highway System Fund	1,696.3	1,698.4	1,698.4
<b>Funding Totals</b>	<b>1,696.3</b>	<b>1,698.4</b>	<b>1,698.4</b>

**Summary of Component Budget Changes  
From FY2009 Management Plan to FY2010 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2009 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>1,698.4</b>	<b>1,698.4</b>
<b>FY2010 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>1,698.4</b>	<b>1,698.4</b>