

State of Alaska FY2009 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
- Auxiliary Machinery on-site technician support
- Hull cathodic protection with on-site technical support
- Protective Paint and Coating system surveyors
- 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

FY2009 Resources Allocated to Achieve Results

FY2009 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. 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. Even though, the construction of the required High Speed Craft (HSC Chapter 19)) Maintenance Facility will be very challenging, because of the limited resources (engineering firms-construction companies) in Ketchikan, engineering design is proceeding and it should be constructed next spring.
- 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 FY2009

No significant changes anticipated.

Major Component Accomplishments in 2007

- Successfully managed approximately \$6.5 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.
- 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. Safety of Life at Sea (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 IAW ADEC.
- Completed timely and effective overhauls on all AMHS vessels.

Statutory and Regulatory Authority

AS 19

AS 44

Contact Information

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Overhaul Component Financial Summary

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	232.2	710.0	710.0
73000 Services	951.3	370.0	370.0
74000 Commodities	469.4	618.4	618.4
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
Expenditure Totals	1,652.9	1,698.4	1,698.4
Funding Sources:			
1076 Marine Highway System Fund	1,652.9	1,698.4	1,698.4
Funding Totals	1,652.9	1,698.4	1,698.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	0.4	0.0	0.0
Unrestricted Total		0.4	0.0	0.0
Restricted Revenues				
None.		0.0	0.0	0.0
Restricted Total		0.0	0.0	0.0
Total Estimated Revenues		0.4	0.0	0.0

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	0.0	0.0	1,698.4	1,698.4
FY2009 Governor	0.0	0.0	1,698.4	1,698.4