

**State of Alaska
FY2004 Governor's Operating Budget**

**Department of Transportation/Public Facilities
Overhaul
Component Budget Summary**

Component: Overhaul

Contact: George Capacci, General Manager

Tel: (907) 465-3959 Fax: (907) 465-2474 E-mail: George_Capacci@dot.state.ak.us

Component 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.

Component Services Provided

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 USCG inspection. Passing this rigorous inspection results in a Certificate of Inspection, which permits the vessel to operate for the following year.

Work accomplished during the overhaul period includes dry-docking, hull inspections, fire and lifesaving inspections, repairs, cleaning, painting, and machinery reconditioning. The capital budget funds these major shipyard costs with general funds. The overhaul component funds the supporting services and goods associated with shipyard work. 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

Component Goals and Strategies

To maintain the fleet at a safe, efficient level of operation

- Continue to keep AMHS vessel downtime to a minimum.
- Minimize costs during vessel overhaul periods.
- Overhaul AMHS vessels efficiently and in accordance with standards set in the Code of Federal Regulations, thus allowing us to continue to obtain our annual USCG Certificate of Inspections and operate the vessels.
- Review all procurement requests made for repair parts, supplies, and technical services used during each overhaul period. Authorize only those that the port engineer determines are truly essential in type and quantity requested.

Key Component Issues for FY2003 – 2004

AMHS anticipates retiring the M/V E. L. Bartlett from service in October 2003. Therefore, the Bartlett will not be overhauled in FY04. As the smallest vessel in the fleet, the Bartlett is generally one of the least expensive to overhaul. Consequently, funds saved by not overhauling the Bartlett will be minimal and quickly absorbed by the increasing cost of overhauling our remaining larger, more complex, and aging vessels.

Overhaul funding has historically been insufficient. Our continuing challenge is to perform all overhaul work related to safety and reliability while minimizing and deferring nonessential repairs and preservation as long as possible.

Major Component Accomplishments in 2002

- Completed overhaul periods for all nine vessels on time and within available funds.

- Achieved certificates of inspection for all nine vessels.

Statutory and Regulatory Authority

AS 19
AS 44

Overhaul
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	340.1	710.0	710.0
73000 Contractual	621.7	370.0	370.0
74000 Supplies	736.6	618.4	618.4
75000 Equipment	0.0	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

Overhaul

Proposed Changes in Levels of Service for FY2004

No change in service level for FY2004.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	0.0	0.0	1,698.4	1,698.4
FY2004 Governor	0.0	0.0	1,698.4	1,698.4